

Company Registration No. 201826600N

**Bhira Investments Pte. Ltd.**

Annual Financial Statements  
31 March 2019

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**Statement of comprehensive income  
For the financial year ended 31 March 2019**

---

	<b>Note</b>	<b>03-Aug-18 to 31-Mar-19</b>	<b>01-Apr-18 to 02-Aug-18</b>	<b>2018</b>
		<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Management fee income	4	-	-	11,120,000
Dividend income	11	-	-	134,666,666
Operating Income	8(a)	11,386	-	-
		<u>11,386</u>	<u>-</u>	<u>145,786,666</u>
Operating expenses	8(b)	(557,109)	(262,130)	(1,546,425)
Operating profit / (loss)		<u>(545,723)</u>	<u>(262,130)</u>	<u>144,240,241</u>
Finance income	6	936,508	1,098,850	1,694,769
Finance costs	7	(19,853,554)	(9,437,054)	(26,160,002)
<b>Profit before income tax</b>	9	<u>(19,462,769)</u>	<u>(8,600,334)</u>	<u>119,775,008</u>
Exceptional item	5	-	-	251,000,000
Income tax expense	10	<u>(1,395,286)</u>	<u>-</u>	<u>(13,466,666)</u>
<b>Profit / (loss) for the year, representing total comprehensive income for the year attributable to the owner of the Company</b>		<u>(20,858,055)</u>	<u>(8,600,334)</u>	<u>357,308,342</u>

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****Balance sheet  
As at 31 March 2019**

	<b>Note</b>	<b>2019 US\$</b>	<b>2018 US\$</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in joint ventures	12	567,456,007	567,456,007
Other investment	13	101	101
		567,456,108	567,456,108
<b>Current assets</b>			
Trade and other receivables	14	13,906,667	14,059,525
Other current financial assets	15	10,328,343	295,704,162
Prepayments		10,133	4,550
Cash and cash equivalents	16	31,097,434	82,596,785
		55,342,577	392,365,022
Assets classified as held for sale	17	100,089,097	100,089,097
<b>Total assets</b>		722,887,782	1,059,910,227
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Other payables	18	43,168,380	77,476,698
Other current financial liabilities	21	323,670,736	275,517,840
Advance from related party	17	61,801,598	11,347,707
		428,640,714	364,342,245
<b>Net current assets</b>		(373,298,137)	28,022,777
<b>Non-current liabilities</b>			
Non-current financial liabilities	21	-	273,309,418
Interest-bearing loans and borrowings	20	217,198,546	315,751,651
		217,198,546	589,061,069
<b>Total liabilities</b>		645,839,260	953,403,314
<b>Net assets</b>		77,048,522	106,506,913
<b>Equity attributable to the owner of the Company</b>			
Share capital	19	1,000,000	1,000,000
Accumulated profits		76,048,522	105,506,913
<b>Total equity</b>		77,048,522	106,506,913
<b>Total equity and liabilities</b>		722,887,782	1,059,910,227

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

**Statement of changes in equity  
For the financial year ended 31 March 2019**

---

	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	US\$	US\$	US\$
<b>Balance at 1 April 2017</b>	1,000,000	(251,801,432)	(250,801,433)
Profit for the year, representing total comprehensive income for the year	–	357,308,343	357,308,343
<b>Closing balance at 31 March 2018 and 1 April 2018</b>	1,000,000	105,506,911	106,506,911
Profit for the year, representing total comprehensive income for the period	–	(8,600,334)	(86,003,334)
<b>Closing balance at 2 August 2018 and 3 August 2018</b>	1,000,000	96,906,577	97,906,577
Profit for the year, representing total comprehensive income for the period	-	(20,858,055)	(20,858,055)
<b>Closing balance at 31 March 2019</b>	1,000,000	76,048,522	77,048,522

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## Bhira Investments Pte. Ltd.

### Notes to the financial statements For the financial year ended 31 March 2019

---

#### Corporation information

Bhira Investments Limited (the "Company") was incorporated in Mauritius under the Mauritius Companies Act 2001 on 27 April 2007 as a domestic and private company with limited liability by shares and changed its legal regime to a Category 1 Global Business Company on 22 June 2007. The immediate and ultimate holding company is The Tata Power Company Ltd, incorporated in India. The Tata Power Company Limited is incorporated in India and listed on BSE Limited and National Stock Exchange of India Limited.

On 3 August 2018, it has registered and re-domiciled in Singapore as a private limited company named as Bhira Investments Pte. Ltd.

The registered office and principal place of business of the Company is located at 78 Shenton Way, #17-01/02 Singapore 079120.

The principal activities of the Company to provide activities of head and regional head offices, centralised administrative offices and subsidiary management offices.

#### 1. Summary of significant accounting policies

##### 2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("US\$"), which is the functional currency of the Company.

##### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any effect on the financial performance or position of the Company.

##### 2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

**2. Summary of significant accounting policies (cont'd)**

**2.3 *Standards issued but not yet effective (cont'd)***

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

**2.4 *Foreign currency***

The Company's financial statements are presented in United States Dollars ("US\$"), which is also the Company's functional currency.

*Transactions and balances*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**2.5 *Consolidation***

In accordance with Singapore Financial Reporting Standard No. 110 and Section 201(3BA) of the Companies Act, Chapter 50, the Company need not prepare consolidated financial statements. The financial statements of the joint ventures have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, The Tata Power Company Ltd, incorporated in India, on a worldwide basis and such financial statements are publicly available. The registered address of The Tata Power Company Ltd is located at Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

**2. Summary of significant accounting policies (cont'd)**

**2.6 *Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation method is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**2.7 *Joint venture***

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

In the Company's financial statements, investment in joint ventures are accounted for at cost less impairment losses.

**2. Summary of significant accounting policies (cont'd)**

**2.8 *Financial instruments***

*(a) Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loan and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

**2. Summary of significant accounting policies (cont'd)**

**2.8 Financial instruments (cont'd)**

(a) *Financial assets (cont'd)*

(iii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

*Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**2. Summary of significant accounting policies (cont'd)**

**2.8 *Financial instruments (cont'd)***

*(b) Financial liabilities (cont'd)*

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**2.9 *Impairment of financial assets***

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

*(a) Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

*(b) Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

**2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

**2.11 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.12 Financial guarantee**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.13 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2.14 Employee benefits**

*(a) Defined contribution plan*

The Company makes contributions to the Central Provident Fund scheme in Singapore. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

*(b) Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**2.15 Leases**

*As lessee*

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

**2.16 Non-current assets held for sale**

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Company is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

**2.17 Revenue**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time.

## Bhira Investments Pte. Ltd.

### Notes to the financial statements For the financial year ended 31 March 2019

---

The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

## 2. Summary of significant accounting policies (cont'd)

### 2.17 Revenue (cont'd)

#### (a) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

#### (a) Service fee, management fee and other fee income

Service fee, management fee and other fee income are recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably they are also accounted on an accrual basis on the financial statements.

#### (b) Dividend income

Dividend income from investments is recognised when the shareholders' right to received payment has been established which is generally when shareholders approve the dividend and is recognised.

### 2.18 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**2. Summary of significant accounting policies (cont'd)**

**2.18 Taxes (cont'd)**

*(b) Deferred tax*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

*(c) Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

**2.19 Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2. Summary of significant accounting policies (cont'd)**

**2.20 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company.

**3. Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgements made in applying accounting policies**

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*(a) Impairment of investment in joint ventures*

Investment in joint ventures are stated at cost less impairment loss. The Company follows the guidance of FRS 36 *Impairment of Assets*, to determine when its investment in joint ventures are impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the joint venture operate, economic performance of

## Bhira Investments Pte. Ltd.

### Notes to the financial statements For the financial year ended 31 March 2019

---

these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and value in use of investments.

#### 3. Significant accounting judgements and estimates (cont'd)

##### 3.2 Key sources of estimation uncertainty (cont'd)

###### (b) Fair value of investment held for sale

The Company also holds financial instruments that are not quoted on active markets. At a meeting of the board of directors of the Company held on 26 November 2013, it was resolved to dispose some investments at a gross consideration of US\$390 million. At another meeting of the board of directors of the Company held on 20 October 2016, it was resolved to revise the consideration from US\$390 million to US\$246.64 million. Out of the US\$246.64 million, US\$200.06 million will be allocated to the Company and US\$46.58 million to Bhivpuri Investments Limited. The Purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2020. At 31 March 2019, the investments held for disposal have been reported at the lower of the carrying amount and fair value less cost to sell.

###### (c) Fair value of derivative financial assets

The Company had entered into derivative financial instruments to manage its exposure to interest rate including interest rate caps and swaps. The interest rate caps and swaps have been designated as financial assets at fair value through profit or loss. The fair valuation is the marked to market value as at the reporting date. The fair value of the derivative is worked out by the respective banks. Sumitomo Mitsui Banking Corporation, Australia and New Zealand Banking Corporation and DBS Bank Limited used Proprietary model as their valuation methodology.

###### (d) Impairment of receivables

The Company assesses at each date of balance sheet whether receivables are impaired. FRS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. Such allowances are adjusted periodically to reflect the actual and past experiences. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 14 to the financial statements.

#### 4. Management fee income

Pursuant to a subcontracting agreement dated 1 August 2012, entered with Khopoli Investments Limited ("Khopoli"), the latter has subcontracted the provision management support to the Company in return for a fee of US\$1,400,000 per month. In 2018, the Company accrued a management fee income of US\$11,120,000. At the board meeting of the Company held on 25 January 2017, the Board had approved the termination of the subcontracting agreement with effect from 1 January 2017. The Company has entered into a Restated and Amended services agreement with Tata Power International Pte Limited ("TPIPL") and a Deed of Novation with Khopoli and TPIPL dated 21 February 2017 (the "Agreement") whereby the management fee which were previously received by Khopoli from TPIPL was novated in favour of the Company with effect from 1 January 2017.

#### 5. Exceptional item

03-Aug-18 – 31-Mar-19	01-Apr-18 – 02-Aug-18	2018
--------------------------	--------------------------	------

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

	US\$	US\$	US\$
Reversal of impairment	-	-	251,000,000
<b>6. Finance income</b>			
	<b>03-Aug-18 – 31-Mar-19 US\$</b>	<b>01-Apr-18 – 02-Aug-19 US\$</b>	<b>2018 US\$</b>
Bank interest income	471,535	223,709	533,411
Interest income on loan from related parties	253,973	875,141	1,161,358
Interest received on partial closure of Interest Rate Swap of US\$25 million from the IRS of US\$40 million from Sumitomo Mitsui Banking Corporation	211,000	-	-
	<u>936,508</u>	<u>1,098,850</u>	<u>1,694,769</u>
<b>7. Finance costs</b>			
	<b>03-Aug-18 – 31-Mar-19 US\$</b>	<b>01-Apr-18 – 02-Aug-19 US\$</b>	<b>2018 US\$</b>
Interest on loan from related parties	8,678,903	5,640,872	12,759,549
Interest on loan from banks	6,660,861	4,592,377	17,498,354
Guarantee commission *	595,767	235,603	1,060,768
Marked to market gain on derivatives	3,918,023	(1,042,446)	(5,158,669)
	<u>19,853,554</u>	<u>9,426,406</u>	<u>26,120,002</u>
* Guarantee commission represent arm's length fees payable to the holding company for acting as a guarantor for the issue of subordinated notes contracted by the Company and loan avail by the Company from a consortium of banks. For the year 31 March 2019, the Company incurred a guarantee commission of US\$595,767 (2018: US\$1,060,768).			
<b>8. (a) Operating income</b>			
	<b>03-Aug-18 – 31-Mar-19 US\$</b>	<b>01-Apr-18 – 02-Aug-19 US\$</b>	<b>2018 US\$</b>
Service fee income <sup>(a)</sup>	4,569	-	-
Consultancy Fees <sup>(b)</sup>	6,667	-	-
Reversal of overprovision for TDS fees	150	-	-
	<u>11,386</u>	<u>-</u>	<u>-</u>

<sup>(a)</sup> Service fee income : Service fee income included the Secretarial and accounting services provided.

<sup>(b)</sup> Consultancy fees  
Bhivpuri Investments Limited ("BIL") and Khopoli Investments Limited ("KIL") had entered into a Consultancy Agreement with the Company respectively, effective as from 28 February 2019 for provision of financial and corporate secretarial support services, and other advisory and professional services by the latter. BIL and KIL shall pay a fee of

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019**

US\$10,000 per quarter with five percent (5%) escalation with effect from 1 April 2020 and every 1 April of subsequent years.

**8. (b) Operating expenses**

	<b>03-Aug-18 – 31-Mar-19</b>	<b>01-Apr-18 – 02-Aug-19</b>	<b>2018</b>
	US\$	US\$	US\$
Audit fees	45,340	22,231	17,385
Professional and legal fees	402,526	136,745	417,602
Donations <sup>(c)</sup>	-	-	750,000
Service fee expenses <sup>(d)</sup>	82,857	99,429	347,091
Others	26,386	3,725	14,347
	<u>557,109</u>	<u>262,130</u>	<u>1,546,425</u>

<sup>(c)</sup> Donations

On 18 August 2012, the Company had approved the funding of the development of Massachusetts Institute of Technology ("MIT") Center for Technology and Design of up to US\$4.5 million over a period of six years. For the year ended 31 March 2019, the Company had not made any contributions (2018: US\$750,000) towards the development of MIT.

<sup>(d)</sup> Service fee expenses

Pursuant to a Procurement Services Agreement dated 26 August 2011 entered into between the Company and its holding Company, The Tata Power Company Limited, the latter provides the Company expert services such as capital raising, mine acquisition, management of currency and interest rate markets. The Company pays service fee expense as agreed between parties from time to time. For the year ended 31 March 2019, the Company had incurred a service fee expense of US\$82,857 (2018: US\$347,091).

**9. Profit before income tax**

The following items have been included in arriving at profit before income tax:

	<b>03-Aug-18 31-Mar-19</b>	<b>01-Apr-18 – 02-Aug-19</b>	<b>2018</b>
	US\$	US\$	US\$
Management fee income	-	-	11,120,000
Dividend income	-	-	134,666,666
Other operating income	11,386	-	-
	<u>11,386</u>	<u>-</u>	<u>145,786,666</u>
Operating expenses	(557,109)	(262,130)	(1,546,425)
Operating profit / (loss)	(545,723)	(262,130)	144,240,241
Finance income	936,508	1,098,850	1,694,769
Finance costs	(19,853,554)	(9,437,054)	(26,160,002)
<b>Profit before income tax</b>	<u>(19,462,769)</u>	<u>(8,600,334)</u>	<u>119,775,008</u>

10. Income tax credit

**Major components of income tax credit**

The major components of income tax credit for the years ended 31 March 2019 and 2018 are as follows:

	03-Aug-18 – 31-Mar-19	01-Apr-18 – 02-Aug-19	2018
	US\$	US\$	US\$
<b>Statement of comprehensive income:</b>			
Current income tax	(16,635)	-	-
Withholding tax	(1,378,651)	-	(13,466,666)
Under provision in previous years	-	-	-
Income tax credit recognised in profit or loss	<u>(1,395,286)</u>	<u>-</u>	<u>(13,466,666)</u>

**Relationship between tax credit and profit before income tax**

The reconciliation between tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2019 and 2018 are as follows:

	03-Aug-18 – 31-Mar-19	01-Apr-18 – 02-Aug-19	2018
	US\$	US\$	US\$
<b>Statement of comprehensive income:</b>			
Profit / (loss) before income tax	(19,462,769)	(8,600,334)	370,775,008
Tax at the applicable tax rate of 17% / 15%	(3,308,671)		55,616,251
Adjustments:			
Non-deductible expenses			3,160,321
Income not subject to taxation			(38,423,800)
Other allowable expenses			(1,605,612)
Withholding tax	(1,378,651)		(13,466,666)
Foreign tax credit			(44,247,429)
Underlying tax credit			<u>25,500,269</u>
Income tax credit recognised in profit or loss	<u>(1,395,286)</u>	<u>-</u>	<u>(13,466,666)</u>

11. Related party transactions

**Sales and purchases of goods and services**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties, took place on terms agreed between the parties during the financial year:

	03-Aug-18 – 31-Mar-19	01-Apr-18 – 02-Aug-19	2018
	US\$	US\$	US\$

*The Tata Power Co Ltd - Holding company*

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

Guarantee commission	595,767	235,603	1,060,768
Service fees	82,857	99,429	347,091
Guarantee commission payable	(159,041)	-	(223,014)
Service fees payable	-	-	(91,809)
Guarantee received for loan	-	-	315,000,000

**11. Related party transactions (cont'd)**

***Sales and purchases of goods and services (cont'd)***

	<b>03-Aug-18 – 31-Mar-19</b>	<b>01-Apr-18 – 02-Aug-19</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<i>Khopoli Investments Limited - Fellow subsidiary</i>			
Loan payable	(15,260,000)	(270,260,000)	(273,309,419)
Interest payable	(294,470)	(3,156,394)	(2,065,078)
Amount paid on behalf	-	71,984	71,984
Interest expense	(109,526)	(3,084,992)	(8,344,842)
Consultancy fee receivable	3,333	-	-
<i>Tata Power International Pte Ltd - Fellow subsidiary</i>			
Interest receivable	781,885	621,971	549,008
Management fee income receivable	13,900,000	13,900,000	13,900,000
Loan receivable	6,200,000	6,200,000	6,200,000
Management fee income	-	-	11,120,000
Interest income	159,915	72,962	175,325
<i>Bhivpuri Investments Limited - Fellow subsidiary</i>			
Loan receivable	-	202,355,078	192,355,079
Interest receivable	-	5,730,033	4,927,854
Amount paid on behalf	-	109,056	87,541
Interest income	94,059	802,179	986,033
Loan given	-	10,000,000	25,000,000
Consultancy fee receivable	3,333	-	-
<i>PT Mitratama Perkasa - Entity under common shareholding</i>			
Loan receivable	-	82,496,633	82,496,633
Interest payable	-	(32,570,671)	(32,570,671)
Interest receivable	-	1,463,250	1,463,250
Payable	-	(44,308,161)	(30,259,732)
Loan payable	-	(118,800,000)	(118,800,000)
<i>PT Dwikarya Prima Abadi - Joint Venture</i>			
Loan payable	(33,214,759)	(33,214,759)	(33,214,759)
Interest payable	(4,458,026)	(3,488,207)	(3,041,190)
Interest expense	(969,820)	(447,017)	(1,104,353)
<i>PT Kaltim Prima Coal - Joint Venture</i>			
Loan payable	(161,430,000)	(84,900,000)	(37,500,000)
Interest payable	(1,721,811)	(989,009)	(163,833)
Other payable	(49,430)	(35,850)	(42,850)
Interest expense	(3,812,814)	(825,176)	(797,239)
Loan taken	(76,530,000)	(47,400,000)	(144,000,000)
Dividend income	-	-	134,666,666
Dividend income netted off against loan	-	-	(121,200,000)
<i>PT Nusa Tambang Pratama – Related Entity</i>			
Loan payable	(64,841,216)	(46,117,675)	(37,078,320)

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019**

Interest payable	(2,973,366)	(1,300,019)	(736,239)
Interest expense	(1,673,347)	(563,780)	(736,239)
Loan taken	(18,723,541)	(9,039,355)	(37,078,320)
Other payable	(21,900)	(7,850)	(11,500)

**11. Related party transactions (cont'd)*****Sales and purchases of goods and services (cont'd)***

	<b>03-Aug-18 – 31-Mar-19</b>	<b>01-Apr-18 – 02-Aug-19</b>	<b>2018</b>
	US\$	US\$	US\$
<i>PT Arutmin Indonesia – Joint Venture</i>			
Loan payable	(48,924,761)	(48,924,761)	(48,924,761)
Interest payable	(10,145,393)	(8,627,358)	(7,907,451)
Interest expense	(1,518,035)	(719,907)	(1,776,785)

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of are unsecured and interest free and settlement occurs in cash. Guarantee is outstanding from The Tata Power Company Limited on US\$215 million loan as at 31 March 2019 (2018: US\$315million). For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**12. Investment in joint ventures**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Unquoted equity shares, at cost	-	-
Movement in impairment loss:		
	<b>2019</b>	<b>2018</b>
	US\$	US\$
Balance at beginning of the year	567,456,007	316,456,007
Less: Reversal in the current year	-	251,000,000
Balance at end of the year	567,456,007	567,456,007

Details of the joint ventures are as follows:

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****12. Investment in joint ventures (cont'd)**

Company (Country of incorporation)	Number of shares	Cost of investment		Proportion of ownership interest	
		2019 US\$	2018 US\$	2019 %	2018 %
PT Kaltim Prima Coal (Indonesia) <sup>(1)</sup>	123,540	618,194,940	618,194,940	30.0	30.0
PT Indocal Kaltim Resources (Indonesia) <sup>(1)</sup>	82,380	50,430	50,430	30.0	30.0
Candice Investments Pte Ltd (Singapore) <sup>(2)</sup>	3	2	2	30.0	30.0
PT Dwikarya Prima Abadi (Indonesia) <sup>(1)</sup>	99	1,109	1,109	0.9	0.9
PT Marvel Capital (Indonesia) <sup>(3)</sup>	1,089	1,220	1,220	0.99	0.99

<sup>(1)</sup> Audited by Amir Abadi Jusuf, Aryanti, Mawar & Rekan

<sup>(2)</sup> Audited by ShineWing LLP

<sup>(3)</sup> KAP Y Santosa Dan Rekan

The Company is required to measure a non-current asset which has been classified as held for sale at lower of its carrying value and fair value less costs to sell. With the consistent rise in coal prices in the recent past (which is expected to continue in the near future), there is an indication that the impairment loss which was taken in December 2015 needs to be suitably represented in the books. Accordingly, as at 31 March 2018, based on an independent valuation of PT Kaltim Prima Coal and related companies, the recoverable amount has been calculated and impairment loss taken earlier is being partially reversed for US\$251,000,000. As at 31 March 2019, the directors believed that the investments were not subject to any impairment.

PT Kaltim Prima Coal ("KPC") and PT Indocoal Kaltim Resources ("Kaltim") are engaged in the coal mining sector.

The Company has a 30% shareholding stake in Candice Investments Pte Ltd ("Candice") and an indirect shareholding of 30% in each of its subsidiaries, PT Dwikarya Prima Abadi ("DPA") and PT Marvel Capital Indonesia ("MCI").

The Company had signed an optional sale agreement for the sale of its 5% stake in KPC. As per the agreement, the consideration to be received for 5% stake of KPC is US\$250 million. However, the Management is not expected to exercise the option based on the estimate of coal price in the near future.

## Bhira Investments Pte. Ltd.

### Notes to the financial statements For the financial year ended 31 March 2019

---

#### 13. Other investment

	2019 US\$	2018 US\$
Far Eastern Natural Resources LLC	101	101

The Board of the Company had approved the acquisition of 1% stake in Far Eastern Natural Resources LLC, an entity which will be involved in thermal coal mining in Russia.

#### 14. Trade and other receivables

	2019 US\$	2018 US\$
Management fee receivable	13,900,000	13,900,000
Amounts paid on behalf of related parties	-	159,525
Other receivables	791,161	784,494
Provision for doubtful debts	(784,494)	(784,494)
Total trade receivables	13,906,667	14,059,525

##### ***Trade receivables***

These are non-interest bearing and are normally settled on 30 to 90 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The management fee is receivable from Tata Power International Pte Limited (TPIPL) (PY: Khopoli Investments Limited and Tata Power International Pte Limited). Management fee from TPIPL is receivable on a quarterly basis, subject to adjustments as agreed between the parties on a monthly basis. However, no services has been provided from August 2017 to March 2019.

The amounts paid at the request of related parties are unsecured, non-interest bearing and repayable on demand.

As at 31 March 2019, the Directors of the Company had made a provision to doubtful debts amounting to US\$784,494 for the receivable from PT Bumi ("Bumi") of US\$13,569, interest receivable from Bumi of US\$45,782 and the management fee receivable from PT Nusantara Indah of US\$725,143 as they are of the opinion that the recovery of these amounts are doubtful. US\$6,667 pertains to Consultancy fee receivable from Bhivpuri Investments Limited and Khopoli Investments Limited as at 31 March 2019.

##### ***Receivables that are past due but not impaired***

Included in the Company's trade receivable balance are debtors with a carrying amount of US\$13,900,000 (2018: US\$13,900,000) which are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances. The aging profile of these receivables is as follows:

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****14. Trade and other receivables (cont'd)*****Receivables that are past due but not impaired (cont'd)***

	<b>2019</b>	<b>2018</b>
	US\$	US\$
<i>Trade receivables past due but not impaired:</i>		
More than 120 days	13,900,000	13,900,000

**15. Other current financial assets**

		<b>2019</b>	<b>2018</b>
		US\$	US\$
Financial assets	(a)	7,009,574	288,052,502
Derivative financial asset	(b)	3,318,769	7,651,660
		<u>10,328,343</u>	<u>295,704,162</u>
(a) Financial assets at amortised cost			
Loans	(i) - (iii)	6,200,000	281,051,712
Interest on loan to related parties		781,885	6,940,112
Interest receivable on short-term deposits		27,689	60,678
		<u>7,009,574</u>	<u>288,052,502</u>
(i) PT Mitratama Perkasa		-	82,496,633
(ii) Bhivpuri Investments Limited		-	192,355,079
(iii) Tata Power International Pte Ltd		6,200,000	6,200,000
		<u>6,200,000</u>	<u>281,051,712</u>

**(i) PT Mitratama Perkasa**

The total amount of the loan granted to PTMP as at 31 March 2018 amounted to US\$82,496,633. The date of repayment of the loan is dependent on the PTMP Debt Satisfaction date. The Board of directors has resolved at a meeting held on 20 October 2016 to cease accruing interest on the loan given to PTMP as from 31 August 2016. Pursuant to the Receivables Novation Deed dated 29 November 2016 entered between Rwood Resources Limited, PTMP and the Company, the loan receivable and accrued interest as at 31 August 2016 shall be novated to RWood Resources Limited whereby the latter wishes to assume the rights and obligations of Bhira in respect of the PTMP Debt. During the year ended 31 March 2019, the Board of the Company had resolved to net off the loan of US\$82,496,633 against the Advance to Trust Energy Resources Pte Ltd.

**(ii) Bhivpuri Investments Limited**

The loan to Bhivpuri Investments Limited amounting to US\$149,355,079 was interest free (a part got interest free with effect from 1 November 2012), unsecured and repayable as and when agreed by the parties whilst the loan amounting to US\$43,000,000 (31 March 2017: US\$18,000,000) bore interest at LIBOR + 2.5% per annum, unsecured and repayable as and when agreed by the parties. Both the interest free and interest bearing loan amounting to US\$192,355,079 was fully repaid during the year ended 31 March 2019.

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**15. Other current financial assets (cont'd)**

(iii) Tata Power International Pte Ltd

The loan of US\$6,200,000 disbursed in December 2013 bears an interest of LIBOR plus 1.50% per annum. The loan is unsecured, and be repayable on demand.

(b) Derivative financial assets

Derivatives not designated as hedging instruments reflect the positive change in fair value of those derivative financial assets-interest rate swaps that are not designated in hedge relationships, but are purchased for the long term loan of US\$460 million to mitigate the risk of adverse fluctuation in LIBOR.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Interest rate swaps	3,318,769	7,651,660

---

**16. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Cash at bank	2,891,791	24,858
Fixed deposits	28,205,643	82,571,927
Cash and cash equivalents	31,097,434	82,596,785

---

---

The interest rate on short term deposits ranges from 1.48% to 2.48% for the year under review. The term deposits are less than 3 months.

Cash and cash equivalents that are denominated in the foreign currencies are as follows:

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Singapore Dollars	20,770	-
Indonesia Rupiah	-	-
Australia Dollars	-	-

---

## Bhira Investments Pte. Ltd.

### Notes to the financial statements For the financial year ended 31 March 2019

---

#### 17. Non-current assets held for sale

	Country of Incorporation	Number and type of shares	% holding	2019 US\$	2018 US\$
PT Arutmin Indonesia	Indonesia	3,000 ordinary shares	30%	100,057,997	100,057,997
PT Indocoal Kalsel Resources	Indonesia	60,000 ordinary shares	30%	31,100	31,100
				<hr/>	<hr/>
				100,089,097	100,089,097

PT Arutmin Indonesia ("Arutmin") and PT Indocoal Kalsel Resources ("Kalsel") are engaged in the coal mining sector. On 26 November 2013, the Board of directors had approved the disposal of the Company's investment in PT Arutmin Indonesia and PT Indocoal Kalsel Resources.

Subsequently, the Company together with its fellow subsidiary, Bhivpuri Investments Limited ("Bhivpuri") entered into a conditional agreement on 30 January 2014 with an unrelated third party named Long Haul Holdings Limited for the sale of PT Arutmin Indonesia ("Arutmin"), PT Indocoal Kalsel Resources ("Kalsel") and Indocoal Resources Cayman Limited ("Indocoal" for Arutmin Assets & Liabilities) Since the investments were expected to be disposed within the next 12 months, they were accordingly reclassified from non-current assets to asset held for sale from 31 March 2014. However, the sale was not completed since some conditions precedent needed to be fulfilled prior to the transfer of shares and receipt of the consideration, which include clearances from the lenders. The Company and Bhivpuri had been in constant negotiations with the counterparty and an alternative arrangement has been negotiated.

The Company together with its fellow subsidiary, Bhivpuri Investments Limited, have now entered into a new agreement with PT Cakrawala Langit Sejahtera ("CLS"), (Long Haul Holdings Limited as per earlier arrangement) for a purchase consideration of US\$246.64 million with effect from 29 November 2016. Out of the US\$246.64 million, US\$200.06 million will be allocated to the Company and US\$46.58 million to Bhivpuri Investments Limited. The Purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2020.

One of the completion conditions (in both the previous and the revised Agreement) to the finalisation and operationalization of the deal is the restructuring of Indocoal, in Bhivpuri where it is expected that post the transfer of all assets and liabilities of PT Kaltim Prima Coal (KPC), Indocoal Cayman would represent only assets and liabilities relating to Arutmin.

The titles of shares will be transferred upon execution of the amended & restated Arutmin Share Purchase Agreement ("Amendment Agreement"). However, as a security to unrealized payments, the Shares will be pledged back in favour of the Company on and around the date of completion. The investment has not yet been disposed of as at 31 March 2019. Bhira has already received US\$39,131,077 as at 31 March 2019 and US\$11,347,707 as at 31 March 2018 as advance from the sale of the Arutmin assets as per the terms of the new agreement. During the year ended 31 March 2019, an advance of US\$22,670,521 was received from Rosewood – Sumbar.

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**17. Non-current assets held for sale (cont'd)**

In the event the business model of Indocoal is no longer viable, it was approved at a board meeting of the Company held on 14 May 2013, that it would buy out Indocoal from Bhivpuri at a price equal to the cost of Indocoal in the books of Bhivpuri. The Board of Directors of Bhivpuri had also approved on 23 May 2013 to sell the investment held in Indocoal at a price equal to the cost of Indocoal in the books of Bhivpuri.

**18. Other payables**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Accruals	113,550	96,802
Interest on loan from related parties	19,593,067	46,484,462
Other payables to shareholders	159,041	324,823
Advance received from related party	7,850	30,267,580
Interest on loan from bank	53,087	100,455
Other payables to related party	21,849,394	202,576
Tax payable	1,392,391	-
	<hr/>	<hr/>
Closing balance	43,168,380	77,476,698

Other payables that are denominated in the foreign currency are as follows:

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Singapore Dollars	-	-
	<hr/>	<hr/>

**19. Share capital**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Issued and fully paid ordinary shares:		
At beginning and end of the year		
1,000,000 ordinary shares	1,000,000	1,000,000
	<hr/>	<hr/>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****20. Interest bearing loans and borrowings**

Pursuant to a Facility Agreement dated 24 February 2016, the loan of US\$460 million has been refinanced on 29 February 2016 with Bank of America N.A acting as agent and a consortium of banks comprising of Industrial and Commercial Bank of China (Asia) Limited, Bank of America N.A, DBS Bank Limited, Export Development Canada, Sumitomo Mitsui Banking Corporation, Australia and New Zealand Banking Group Limited and Axis Bank Limited Hong Kong Branch.

The refinanced US\$460 million loan carries interest at the rate of 1 month LIBOR plus margin of 1.95% and is repayable on 26 February 2021.

Floating rate borrowing (US\$315 million)	<b>2019</b>	<b>2018</b>
	US\$	US\$
Opening balance	315,751,651	420,716,088
Amortisation of loan	13,047,432	16,576,928
Interest paid	(11,600,537)	(11,541,365)
Repayment	(100,000,000)	(110,000,000)
Closing balance	<u>217,198,546</u>	<u>315,751,651</u>

The holding company has agreed to guarantee the above loan for the sum of US\$460,000,000, as reduced on each day on which any principal amount the loan is repaid or prepaid or increased at any time on which any principal amount of the loan so repaid or prepaid is reinstated, in each case, to an amount at all times equal to 105% of the principal amount of the loan then outstanding. The Company had repaid US\$100,000,000 of the principal amount.

**21. Non-current financial liabilities  
Current financial liabilities**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
<b><i>Non-current financial liabilities</i></b>		
<b><i>Long-term loans</i></b>		
<u><i>Khopoli Investments Limited</i></u>		
Opening balance	273,309,418	340,000,000
Netting off loan balance	-	(66,690,582)
Repayment of loan balance	(273,309,418)	-
Closing balance	<u>-</u>	<u>273,309,418</u>

The loan from related party is unsecured, repayable on 31 December 2021 or as mutually agreed and carries interest at the rate of LIBOR plus margin as agreed between the parties on the basis of 360 days a year. The rate of interest ranged from Libor + 0.95% to 1.31% per annum. The loan of US\$340,000,000 was adjusted with the receivable balances with Khopoli Investments Limited existing with effect from 1 January 2018 as approved by the Board on 9 March 2018. The loan balance of US\$273,309,418 bears interest at a rate of LIBOR + 1.31% with effect from 1 January 2018. The outstanding loan balance of US\$273,309,418 was fully repaid during the year ended 31 March 2019.

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****21. Non-current financial liabilities (cont'd)  
Current financial liabilities**

	<b>2019</b>	<b>2018</b>
	US\$	US\$
<b><i>Current financial liabilities</i></b>		
Financial liabilities at fair value through profit or loss	323,670,736	275,517,840
<i>Short-term loans</i>		
PT Kaltim Prima Coal	(a) 161,430,000	37,500,000
PT Arutmin Indonesia	(b) 48,924,761	48,924,761
PT Dwikarya Prima Abadi	(c) 33,214,759	33,214,759
PT Mitratama Perkasa	(d) -	118,800,000
PT Nusa Tambang Pratama	(e) 64,841,216	37,078,320
Khopoli Investments Limited	(f) 15,260,000	-
Closing balance	323,670,736	275,517,840

Notes

## (a) PT Kaltim Prima Coal ("KPC")

The Company entered into an inter-company loan facility agreement dated 30 September 2011, with KPC having effective date 15 May 2011. Pursuant to the agreement, KPC has granted a loan facility of up to US\$150,000,000 to the Company. For the year ended 31 March 2019, a loan of US\$123,930,000 was received from KPC.

The loan is unsecured, repayable on demand only out of dividends received by the Company from KPC and carries interest at the rate of 3 months LIBOR plus margin of 2% per annum.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Opening balance	37,500,000	14,700,000
Loan received	123,930,000	144,000,000
Dividend income (net of withholding tax)	-	(121,000,000)
Closing balance	161,430,000	37,500,000

## (b) PT Arutmin Indonesia ("Arutmin")

The Company entered into an inter-company loan facility agreement dated 14 September 2011 with Arutmin having effective date 29 October 2010. Pursuant to the agreement, Arutmin has granted a loan facility of up to US\$150,000,000 to the Company. The loan is unsecured, repayable on demand or out of dividend received by the Company from Arutmin and carries interest at the rate of 3 months LIBOR plus margin of 2% per annum.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Closing balance	48,924,761	48,924,761

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**21. Non-current financial liabilities (cont'd)  
Current financial liabilities**

## (c) PT Dwikarya Prima Abadi ("Dwikarya")

The Company entered into an inter-company loan facility agreement dated 24 March 2014 (the "Agreement") with Dwikarya having effective date 24 March 2014. Pursuant to the Agreement, Dwikarya has agreed to grant a loan facility of up to US\$27,900,000 to the Company. The Agreement was amended on 19 December 2014, pursuant to which the loan facility amount was increased to US\$40,285,714. The loan is unsecured, repayable on demand or out of dividend received by the Company from Dwikarya and carries interest at the rate of 1 month LIBOR plus margin of 2% per annum.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Closing balance	33,214,759	33,214,759

## (d) PT Mitratama Perkasa ("PTMP")

The Company has taken loans aggregating US\$118.8 million from PTMP. The loans have been split into 2 categories, Loan A equal to US\$83.8 million and Loan B amounting to US\$35 million. Loan A carried interest at LIBOR plus 6.1% per annum whilst interest on Loan B is LIBOR plus 6.35% per annum. Interest on Loan A and Loan B is accrued only till 31 August 2016 as agreed at a Board meeting of the Company held on 20 October 2016. Pursuant to the Novation Deed dated 29 November 2016 entered between Rwood Resources Limited, PT Mitratama Perkasa and the Company, the loan payable shall be novated to RWood Resources Limited on the effective date, i.e the day after the PTMP Debt Satisfaction date whereby the latter wishes to assume the rights and obligations of Bhira in respect of the PTMP Debt. During the year ended 31 March 2019, the loan of US\$118,800,000 was netted off against the loan of US\$82,496,633, interest receivable of US\$1,463,250 and US\$34,840,117 was netted off against the advance to Trust Energy Resources Pte. Ltd.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
Opening balance	118,800,000	118,800,000
Net off against loan to PTMP	(82,496,633)	-
Net off against interest receivable from PTMP	(1,463,250)	-
Net off against advance to Trust Energy Resources Pte. Ltd.	(34,840,117)	-
Closing balance	-	118,800,000

## (e) PT Nusa Tambang Pratama ("NTP")

The Company entered into an inter-company loan facility agreement dated 2 April 2017 (the "Agreement") with NTP. Pursuant to the Agreement, Nusa has agreed to grant a loan facility of up to US\$30,000,000 to the Company. The Agreement was subsequently amended, pursuant to which the loan facility amount was increased to US\$45,000,000. The loan is unsecured, repayable on demand or out of dividend received by the Company from NTP and carries interest at the rate of 1 month LIBOR plus margin of 2% per annum. During the year ended 31 March 2019, the Company had further received a loan of US\$27,762,896.

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****21. Non-current financial liabilities (cont'd)  
Current financial liabilities**

(e) PT Nusa Tambang Pratama ("NTP") (cont'd)

	<b>2019</b> US\$	<b>2018</b> US\$
Opening balance	37,078,320	-
Loan received	27,762,896	37,078,320
Closing balance	<u>64,841,216</u>	<u>37,078,320</u>

(f) The Company entered into an inter-company loan agreement dated 16 October 2018 (the "Agreement") with Khopoli Investments Limited ("Khopoli"). Pursuant to the Agreement, Khopoli has agreed to grant a loan facility of up to US\$25,000,000 to the Company. The loan shall be unsecured of short term nature having a maximum tenor of 36 months which can be modified by mutual of Khopoli and the Company. The loan will be payable on demand and carries interest at the rate of 1 month LIBOR plus margin of 1.7% per annum.

**22. Contingencies and commitment*****Contingencies***

As at the reporting year, the Company did not have any contingency with respect to its investments in the joint ventures.

***Commitments***

On 14 May 2013, the Board of Directors (the "Board") had approved the buying out of Indocoal Resources (Cayman) Limited ("Indocoal") at the price that would be equivalent to the cost at which Indocoal was held in the books of Bhivpuri Investments Limited which was approximately US\$432 million when the business would not be viable.

**23. Fair value of assets and liabilities*****Fair values***

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	<b>Carrying amount</b> <b>2019</b> US\$	<b>Fair value</b> <b>2019</b> US\$	<b>Carrying amount</b> <b>2018</b> US\$	<b>Fair value</b> <b>2018</b> US\$
<b>Financial assets</b>				
Derivative financial assets- interest rate swaps designated as hedging instruments	3,318,769	3,318,769	7,651,660	7,651,660
Trade and Other receivables	13,906,667	13,906,667	14,059,525	14,059,525
Cash and short -term deposits	31,097,434	31,097,434	82,596,785	82,596,785
Loans given to related parties	6,200,000	6,200,000	281,051,712	281,051,712
Interest on short term deposits and on loan to related parties	809,574	809,574	7,000,790	7,000,790
Total financial assets	<u>55,332,444</u>	<u>55,332,444</u>	<u>392,360,472</u>	<u>392,360,472</u>

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**23. Fair value of assets and liabilities (cont'd)**

***Fair values (cont'd)***

	<b>Carrying amount 2019</b>	<b>Fair value 2019</b>	<b>Carrying amount 2018</b>	<b>Fair value 2018</b>
	US\$	US\$	US\$	US\$
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings	540,869,282	540,869,282	745,778,909	745,778,909
Other financial liabilities	43,168,380	43,168,380	196,276,698	196,276,698
<b>Total financial liabilities</b>	<b>584,037,662</b>	<b>584,037,662</b>	<b>770,400,588</b>	<b>770,400,588</b>

The management assessed that the fair values of cash and short-term deposits, trade and other receivables, trade and other payables, loans and other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid market, is determined with reference to quoted market prices.
- The fair value of other financial asset and financial liability is determined in accordance with generally accepted pricing model, based on discounted cash flow analysis using prices from observable current market transactions and dealer quote for similar instruments.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets and liabilities;
- Level 2 - Input other than quoted prices included within level 1 that are observable for the asset and liability either directly (that is as prices) or indirectly (that is derived from prices); and
- Level 3 - For the asset or liability that are not based on observable market data (unobservable inputs).

Derivatives not designated as hedging instruments reflect the positive change in fair value of those derivative financial assets-interest rate swaps that are not designated in hedge relationships, but are purchased for the long term loan of US\$460 million to mitigate the risk of adverse fluctuation in LIBOR.

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**23. Fair value of assets and liabilities (cont'd)**

*Fair values (cont'd)*

	<b>Interest rate</b>	<b>Maturity</b>	<b>2019 US\$</b>	<b>2018 US\$</b>
<u>Current interest-bearing loans and borrowings</u>				
PT Kaltim Prima Coal	LIBOR + 2%	On demand or out of dividend received by the Company	161,430,000	37,500,000
PT Arutmin Indonesia	LIBOR + 2%	On demand or out of dividend received by the Company	48,924,761	48,924,761
PT Dwikarya Prima Abadi	LIBOR + 2%	On demand or out of dividend received by the Company	33,214,759	33,214,759
PT Nusa Tambang Pratama	LIBOR + 2%	On demand or out of dividend received by the Company	64,841,216	37,078,320
Khopoli Investments Limited	LIBOR + 1.70%	On demand	15,260,000	-
Total current interest-bearing loans and borrowings			323,670,736	156,717,840
<u>Non-current interest-bearing loans and borrowings</u>				
US\$ 315 M Loan from Bank	LIBOR + 1.95%	26 February 2021	217,198,546	315,751,651
Khopoli Investments Limited	LIBOR + 0.95% to 1.31%	31 December 2021	-	273,309,418
Total non-current interest- bearing loans and borrowings			217,198,546	589,061,069
Total interest-bearing loans and borrowings			540,869,282	745,778,909

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**23. Fair value of assets and liabilities (cont'd)**

*Fair values (cont'd)*

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

	Average contracted fixed interest rate		Notional principal amount		Fair value assets/(liabilities)	
	2019	2018	2019	2018	2019	2018
	%	%	US\$	US\$	US\$	US\$
Less than one year	1.945	1.945	15,000,000	40,000,000	80,430	559,476
Less than one year	1.0975	1.0975	60,000,000	60,000,000	1,294,681	2,292,798
Less than one year	1.0975	1.0975	55,000,000	55,000,000	1,180,970	2,095,927
Less than one year	1.944	1.944	-	75,000,000	-	1,049,863
Less than one year	1.76	1.76	35,000,000	35,000,000	312,374	674,160
Less than one year	1.76	1.76	50,000,000	50,000,000	450,314	979,436
			<b>215,000,000</b>	<b>315,000,000</b>	<b>3,318,769</b>	<b>7,651,660</b>

**23. Fair value of assets and liabilities (cont'd)**

(a) ***Fair value hierarchy (cont'd)***

The fair value of Level 2 derivative instruments were estimated based on discounted cash flows. Future cash flows are estimated based on the contracted premium payables and interest rate cap compared to the market interest rates, discounted at a rate that reflects the credit risk of the various counterparties. There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value***

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables (current), trade and other payables, based on their notional amounts, reasonably approximate their fair values because there are mostly short term in nature or are re-priced frequently.

**24. Financial risk management objectives and policies**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. It is, and has been throughout the current and previous financial year, the Company's policy that no derivatives for speculative purposes shall be undertaken. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

**24. Financial risk management objectives and policies (cont'd)**

(a) **Credit risk (cont'd)**

*Excessive risk concentration*

The Company has significant concentration of credit risk with one (2018: three) customers which made up of 25.58% (2018: 90.73%) of its total trade receivables as at 31 March 2019.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit rating agencies.

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

	<b>2019</b>	<b>2018</b>
	US\$	US\$
<u>Carrying amount</u>		
Loan receivable	6,200,000	281,051,712
Interest receivable on loan	781,885	6,940,112
Management fees receivable	13,900,000	13,900,000
Expenses paid on behalf of related parties	-	159,525
	<u>20,881,855</u>	<u>302,051,349</u>

*Exposure to credit risk*

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 (Trade and other receivables).

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

As part of its overall liquidity management, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company is dependent on its holding company for continued financial support and management is satisfied that the financial support will be available when required. Hence, management is of the opinion that liquidity risk is minimal.

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**24. Financial risk management objectives and policies (cont'd)**

**(b) Liquidity risk (cont'd)**

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The table has been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can receive or be required to pay. The table includes both interest and principal cash flows.

	<b>On demand or within one year US\$</b>	<b>Less than 1 year US\$</b>	<b>More than 1 year US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
<b>2019</b>				
Interest-bearing loans to related parties and short-term deposits	6,200,000	28,205,643	-	34,405,643
Non-interest-bearing loans to related parties	-	-	-	-
Cash at bank	2,891,791	-	-	2,891,791
Other financial assets	14,716,241	-	-	14,716,241
Derivative financial assets-interest rate swaps	-	3,318,769	-	3,318,769
	23,808,032	31,524,412	-	55,332,444
<b>Financial liabilities</b>				
<b>2019</b>				
Interest-bearing loans and borrowings	323,670,736	-	217,198,546	540,869,282
Non-interest-bearing loans and borrowings	-	-	-	-
Other financial liabilities	43,168,380	-	-	43,168,380
	366,839,116	-	217,198,546	584,037,662
	<b>On demand or within one year US\$</b>	<b>Less than 1 year US\$</b>	<b>More than 1 year US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
<b>2018</b>				
Interest-bearing loans to related parties and short-term deposits	198,555,079	82,571,927	-	281,127,006
Non-interest-bearing loans to related parties	82,496,633	-	-	82,496,633
Cash at bank	24,858	-	-	24,858
Other financial assets	21,060,315	-	-	21,060,315
Derivative financial assets-interest rate swaps	-	7,651,660	-	7,651,660
	302,136,885	90,223,587	-	392,360,472

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---

**24. Financial risk management objectives and policies (cont'd)**

**(b) Liquidity risk (cont'd)**

<b>Financial liabilities</b>				
<b>2018</b>				
Interest-bearing loans and borrowings	156,717,840	–	589,061,069	745,778,909
Non-interest-bearing loans and borrowings	–	118,800,000	–	118,800,000
Other financial liabilities	77,476,698	–	–	77,476,698
	<u>234,194,538</u>	<u>118,800,000</u>	<u>589,061,069</u>	<u>942,055,607</u>

**(c) Foreign currency risk**

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against United States Dollars that will affect the Company's financial results and its cash flows.

All the Company's financial assets and liabilities are denominated in United States Dollars and consequently, the Company is not exposed to foreign currency risk.

The Company has invested in joint venture entities incorporated in Indonesia and Singapore. Since the main operations, revenues and bulk of the expenses of the joint venture entities are driven by the global market and the United States Dollar, the Company is not exposed to significant foreign currency risk.

**(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All investments are financed by loan from related parties and banks. The Company's financial assets except trade and other receivables, loans to Bhivpuri Investments Limited and Khopoli Investments Limited and cash and cash equivalents and financial liabilities, except other payables, are interest-bearing. As such, the Company is subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits may fluctuate in amount, in particular due to changes in the interest rates.

Interest expense on loan from related parties may fluctuate in amount, in particular due to changes in the LIBOR Rate. The impact of a 5% fluctuation in the interest rates on loan from related parties would be as follows:

	<b>Effect on profit before income tax</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
Interest expense on loan		
5% increase	433,945	637,977
5% decrease	(433,945)	(637,977)

**Bhira Investments Pte. Ltd.****Notes to the financial statements  
For the financial year ended 31 March 2019****24. Financial risk management objectives and policies (cont'd)****(d) Interest rate risk (cont'd)**

	<b>2019</b> US\$	<b>2018</b> US\$
Bank interest income		
5% increase	23,577	26,671
5% decrease	(23,577)	(26,671)
Interest income on loan		
5% increase	12,699	58,068
5% decrease	(12,699)	(58,068)

**25. Capital management**

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 2018.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, bank loans, less cash and cash equivalents. Capital includes equity attributable to the owner of the Company.

	<b>Note</b>	<b>2019</b> US\$	<b>2018</b> US\$
Trade payables		-	-
Other payables	18	43,168,380	77,476,698
Bank loans	20	217,198,546	315,751,651
Less: Cash and cash equivalents	16	(31,097,434)	(82,596,785)
Net debt		229,269,492	310,631,564
Equity attributable to the owner of the Company		77,048,522	106,506,913
Capital and net debt		306,318,014	417,138,477
Gearing ratio		74.85%	74.47%

**26. Authorisation of financial statements for issue**

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on \_\_\_\_2019.

**Bhira Investments Pte. Ltd.**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

---