

BHIVPURI INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1

CONTENTS	PAGES
COMPANY INFORMATION	2
COMMENTARY OF DIRECTORS	3
CERTIFICATE FROM SECRETARY	4
INDEPENDENT AUDITOR'S REPORT	5-7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12-27

BHIVPURI INVESTMENTS LIMITED
COMPANY INFORMATION

2

		Date of appointment	Date of resignation
DIRECTORS	: Fareed Soreefan	26 September 2012	-
	Zakir Hussein Niamut	7 March 2014	-
	Resmah Bibi Mandary	18 May 2015	-
	Ramesh Subramanyam	25 June 2014	4 July 2018
	Anand Agarwal	25 April 2016	31 July 2018
	Nandakumar Tirumalai (permanent alternate director to Mr Ramesh Subramanyam)	28 October 2016	31 May 2018
	Behram Mehta	6 July 2018	
	Yogesh Agarwal	6 July 2018	15 November 2018
	Jinendra Vardhaman Patil	28 November 2018	
REGISTERED OFFICE	: IFS Court Bank Street Twenty Eight Cybercity Ebène 72201 Mauritius		
SECRETARY, ADMINISTRATOR AND MAURITIAN TAX AGENT:	: SANNE Mauritius IFS Court Bank Street Twenty Eight Cybercity Ebène 72201 Mauritius		
BANKER	: HSBC Bank (Mauritius) Limited 6th Floor, HSBC Centre 18 Cybercity Ebène Mauritius		
AUDITOR	: Ernst & Young Mauritius 9th Floor, NeXTeracom Tower 1 Cybercity Ebene Mauritius		

The directors present the financial statements of Bhivpuri Investments Limited (the “Company”) for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activities of the Company are that of investment holding and provision of management support services to related parties.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

DIVIDENDS

No dividend has been declared nor paid during the year ended 31 March 2019 (2018: USD35,000,000).

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office until the next Annual Meeting.

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of Bhivpuri Investments Limited under the Mauritius Companies Act 2001 for the year ended 31 March 2019.

for **SANNE Mauritius**

Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight Cybercity
Ebène 72201
Mauritius

Date:

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPEHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

8

	Note	2019 USD	2018 USD
REVENUE FROM CONTRACTS WITH CUSTOMERS		-	-
OPERATING EXPENSES			
Other Operating Expenses	16	55,968	90,233
		55,968	90,233
OPERATING LOSS		(55,968)	(90,233)
Finance Income	14	240	73
Finance Cost	15	6,308,248	986,033
LOSS BEFORE TAX		(6,363,976)	(1,076,193)
Taxation	13	-	-
LOSS FOR THE YEAR		(6,363,976)	(1,076,193)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(6,363,976)	(1,076,193)
Earnings per Share			
Basic		(8.53)	(1.44)
Diluted		(8.53)	(1.44)

The notes on pages 12 to 27 form an integral part of these financial statements.
The independent audit report is on pages 5- 7.

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

9

	Note	2019 USD	2018 USD
ASSETS			
<u>Non-current asset</u>			
Investment in Joint Ventures	5	432,320,985	432,320,985
		<u>432,320,985</u>	<u>432,320,985</u>
<u>Current assets</u>			
Prepayments	6	2,800	4,550
Cash and short term deposits	7	210	46,099
Other current financial assets	8	-	-
		<u>3,010</u>	<u>50,649</u>
Total assets		<u>432,323,995</u>	<u>432,371,634</u>
EQUITY AND LIABILITIES			
<u>Capital and reserves</u>			
Issued capital	9	1,000,000	1,000,000
Retained earnings		129,803,894	136,167,870
Total equity		<u>130,803,894</u>	<u>137,167,870</u>
<u>Current liabilities</u>			
Other current financial liabilities	10	296,076,073	280,170,452
Dividend payable	12	-	10,000,000
Other payables	11	5,444,028	5,033,312
		<u>301,520,101</u>	<u>295,203,764</u>
Total equity and liabilities		<u>432,323,995</u>	<u>432,371,634</u>

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Director

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Director

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BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

10

	Note	Issued capital USD	Retained earnings USD	Total USD
At 31 March 2017		1,000,000	172,244,063	173,244,063
Loss for the year and total comprehensive loss		-	(1,076,193)	(1,076,193)
Dividend Paid	19	-	(35,000,000)	(35,000,000)
At 31 March 2018		1,000,000	136,167,870	137,167,870
Loss for the year and total comprehensive loss		-	(6,363,976)	(6,363,976)
Dividend Paid	19	-	-	-
At 31 March 2019		1,000,000	129,803,894	130,803,894

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The independent audit report is on pages 5- 7.

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

11

	2019 USD	2018 USD
Cash flows from operating activities		
Loss before tax	(6,363,976)	(1,076,193)
<i>Adjustments for:</i>		
Interest expense on loan	6,308,248	986,033
Expenses paid on behalf of the Company	-	-
Bank interest income	(240)	(73)
Other operating income	-	-
	<u>(55,968)</u>	<u>(90,233)</u>
Movement in working capital:		
(Increase) \ Decrease in other receivables and prepayments	1,750	-
Increase \ (Decrease) in other payables	(73,440)	54,308
Net cash used in operating activities	<u>(127,658)</u>	<u>(35,925)</u>
 <i>Cash flows from investing activities</i>		
Bank interest received	240	76
Net cash generated from investing activities	<u>240</u>	<u>76</u>
 <i>Cash flows from financing activities</i>		
Loan repaid to related party	(202,355,079)	-
Loan from related party	218,260,700	25,000,000
Dividend paid	(10,000,000)	(25,000,000)
Interest paid	(5,824,092)	-
Net cash generated from financing activities	<u>81,529</u>	<u>-</u>
 Net decrease in cash and cash equivalents	(45,889)	(35,849)
Cash and cash equivalents at beginning of year	46,099	81,948
Cash and cash equivalents at end of year	<u><u>210</u></u>	<u><u>46,099</u></u>

The notes on pages 12 to 27 form an integral part of these financial statements.
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1. BACKGROUND INFORMATION

The Company was incorporated in Cyprus on 8 March 2007 as a private company with limited liability under the Companies Law, Cap. 113. On 17 May 2012, the Company has been struck off the Cyprus Registrar of Companies and re-domiciled in Mauritius under the Companies Act 2001 as the holder of a Category 1 Global Business Licence as issued by the Financial Services Commission. The registered office address of the Company is at IFS Court, Bank Street, TwentyEight Cybercity, Ebene 72201, Mauritius.

The principal activities of the Company are that of investment holding and provision of management support services to related parties.

2. SIGNIFICANT ACCOUNTING POLICIES

Except for non-compliance with International Financial Reporting Standards ("IFRS") 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, the financial statements have been prepared in accordance with IFRS. The preparation of the financial statements in accordance with and in compliance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The financial statements are presented in USD.

(b) Investments in joint ventures

A joint venture is a type of joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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.

The Company accounts its investments in Joint Ventures at cost less any impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income.

(c) Non current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

(d) Current v/s non current classification

The Company presents assets and liabilities in the statement of financial position based on current /non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement

The Company measures financial instruments such as derivatives and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(g) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Mauritian laws, a distribution is authorised when it is approved by the shareholders and the Company satisfies the solvency test prior and post the distribution. A corresponding amount is recognised directly in equity.

(h) Cash and short term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

-Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

- Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired

Or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

(iii) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) **Revenue from Contracts with Customers**

Revenue from a contract to provide services is recognised over time based on:

Input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress. Output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

(l) **Other 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 that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is generally when shareholders approve the dividend and is recognised gross of withholding tax.

(m) **Expense recognition**

All expenses are accounted for in the statement of profit or loss and other comprehensive income on accrual basis.

(n) **Taxation**

Current tax

Current income tax assets and liabilities 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 reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(o) 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 the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current period, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on 1 January 2018.

3.1 *Standards and Interpretations adopted with no effect on the financial statements*

The following new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. initial application date of 1 January 2018 and adjusting the comparative information for the period beginning 1 January 2017.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - CONTINUED

3.2 *New and Revised Standards and Interpretations in issue but not yet effective*

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IFRS 16 **Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17. The adoption of this standard would not have any impact on the financial statements.

IFRS 17 **Insurance Contracts**

IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

IFRS 9 **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.

IFRS 10 **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

IAS 28 The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

IAS 19 **Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

IAS 28 **Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted.

The directors anticipate that these standards and interpretations will be applied in the financial statements on the above effective dates in future years. The above standards would not have any significant impact on the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the management have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollars.

Impairment of investments in joint ventures

Determining whether investments in joint ventures are impaired requires an estimation of the value in use of the investments. The value in use calculation requires the directors to estimate the future cash flows expected to arise from that investment and a suitable discount rate in order to calculate present value.

5. INVESTMENT IN JOINT VENTURES

				2019	2018
				USD	USD
Investment in joint venture				432,320,985	432,320,985
Details of the investment in joint venture are as follows:					
	Place of incorporation	Number of shares	2019 % Holding	2019 USD	2018 USD
				Cost	Cost
(a) IndoCoal KPC Resources (Cayman) Limited	Cayman Islands	300	30%	300	300
(b) IndoCoal Resources (Cayman) Limited	Cayman Islands	300	30%	432,320,685	432,320,685
				<u>432,320,985</u>	<u>432,320,985</u>

Investment in joint ventures is stated at cost less impairment if any.

(a) IndoCoal KPC Resources (Cayman) Limited

The main business activity of IndoCoal KPC Resources (Cayman) Limited ("Indocoal KPC") is coal trading. The shares held in Indocoal KPC carry dividend and voting rights.

The directors are of the opinion that the estimated recoverable amount of the investment in the joint venture is not less than its carrying amount.

(b) IndoCoal Resources (Cayman) Limited

The Company together with its related party, Bhira Investments Limited ("Bhira"), 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 then, there have been amendments made to the conditional agreement and the long stop date had been extended multiple times and stands at 31 December 2019. However, the sale was not completed since some conditions precedents needed to be fulfilled prior to the transfer of shares and receipt of the consideration, which include clearances from the lenders. The Company and Bhira have been in constant negotiations with the counterparty and an alternative arrangement has been negotiated.

The Company together Bhira, 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 USD 246.64 million with effect from 29 November 2016. Out of the USD 246.64 million, USD 200.06 million will be allocated to Bhira and USD 46.58 million to the Company. 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 as well as the revised Agreement) to the finalisation and operationalization of the deal is the restructuring of Indocoal, where it is expected that post the transfer of all Assets and Liabilities of PT Kaltin Prima Coal ("KPC"), Indocoal Cayman would represent only Assets & liabilities relating to Arutmin.

The titles of shares will be transferred upon execution of the amended and 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 and has been carried at cost.

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 the Bhira would buy out Indocoal from the Company at a price equal to the cost of Indocoal in the books of Bhivpuri. The Board of Directors of Bhira had also approved on 23 May 2013 to purchase the shares held by the Company in Indocoal at a price equal to the cost of Indocoal in the books of the Company.

6. PREPAYMENTS

	2019	2018
	USD	USD
Prepayments	2,800	4,550
	<u>2,800</u>	<u>4,550</u>

7. CASH AND SHORT TERM DEPOSITS

For the purposes of the statement of cash flows, the cash and cash equivalents comprise the following:

	2019	2018
	USD	USD
Cash at bank	210	84
Short term deposits	-	46,015
	<u>210</u>	<u>46,099</u>

The interest rate on short term deposits ranges from 1.25% to 2.10% for the year under review. The term deposits are less than 3 months.

8. OTHER CURRENT FINANCIAL ASSETS

	2019	2018
	USD	USD
Interest receivable on short-term deposits	-	-
	<u>-</u>	<u>-</u>

9. ISSUED CAPITAL

	2019	2018
	USD	USD
Ordinary shares of EUR1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

Under its memorandum the Company fixed its share capital at 746,250 ordinary shares of nominal value of EUR1 each. Upon incorporation on 8 March 2007, the Company issued to the subscribers of its Memorandum of Association 746,250 ordinary shares of EUR1 each at par. Re-translation for stated capital from EUR 746,250 to USD 1,000,000 happened as of 30 June 2007 at a rate of 1.34 (EUR/USD exchange rate).

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

10. OTHER CURRENT FINANCIAL LIABILITIES

Loans

	2019	2018
	USD	USD
(a) Bhira Investments Limited	-	192,355,079
(b) Indocoal Resources (Cayman) Limited	87,815,373	87,815,373
(c) Khopoli Investments Limited	208,260,700	-
	<u>296,076,073</u>	<u>280,170,452</u>

(a) Bhira Investments Limited

	2019	2018
	USD	USD
Opening Balance	192,355,079	192,355,079
Loan received	10,000,000	25,000,000
Loan paid	(202,355,079)	-
Closing balance	<u>-</u>	<u>192,355,079</u>

During the year under review, the Company had entered into a loan agreement with Bhira Investments Limited for an additional amount of USD10,000,000. The loan was interest bearing at a rate of LIBOR + 2.5% and secured. Out of USD202,355,079 of the loan from Bhira Investments Limited, USD123,255,079 was interest bearing and secured. The loan was fully repaid during the year under review.

(b) Indocoal Resources (Cayman) Limited

	2019	2018
	USD	USD
Closing balance	<u>87,815,373</u>	<u>87,815,373</u>

The loan is unsecured, interest free and repayable only out of dividends declared by Indocoal Resources (Cayman) Limited in favour of the Company.

(c) Khopoli Investments Limited

	2019	2018
	USD	USD
Opening Balance	-	-
Loan received	208,260,700	-
Closing balance	<u>208,260,700</u>	<u>-</u>

The Company had entered into a loan agreement with Khopoli Investments Limited on 25 July 2018, for an amount up to USD250 million. The loan is unsecured, interest bearing at a rate of LIBOR + 1.7% and repayable on demand.

11. OTHER PAYABLES

	2019	2018
	USD	USD
Other payable and accruals	12,240	17,916
Payable to related party	19,777	87,541
Interest on loan	5,412,011	4,927,855
	<u>5,444,028</u>	<u>5,033,312</u>

12. DIVIDEND PAYABLE

During the year ended 31 March 2018, the Company declared dividend amounting to USD 35,000,000 to the shareholder, The Tata Power Company Limited. Out of the above, USD 10,000,000 was payable as at 31 March 2018. For the year under review, no dividend has been declared.

13. TAXATION

The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

	2019	2018
	USD	USD
Loss before taxation	<u>(6,363,976)</u>	<u>(1,076,193)</u>
Tax at the applicable rate of 15%	(954,596)	(161,429)
Tax effect of:	-	-
Deemed tax credit at 80%	763,677	129,143
Deferred tax asset not recognised	190,919	32,286
Taxation	<u>-</u>	<u>-</u>

14. FINANCE INCOME

	2019	2018
	USD	USD
Bank interest income	240	73
	<u>240</u>	<u>73</u>

15. FINANCE COST

	2019	2018
	USD	USD
Interest expense on loan from related parties	6,308,248	986,033
	<u>6,308,248</u>	<u>986,033</u>

16. OTHER OPERATING EXPENSES

	2019	2018
	USD	USD
Audit fees	17,190	16,245
Other expenses	2,975	3,295
Legal and professional fees	35,803	70,693
	<u>55,968</u>	<u>90,233</u>

17. RELATED PARTY TRANSACTIONS

For the year ended 31 March 2019, the Company entered into the following related party transactions. Details of the nature, volume of transactions and the balances with the related parties are as follows:

Payable to The Tata Power Co Ltd (Holding Company)

	2019	2018
		USD
- Dividend declared		-
	2018	35,000,000
- Dividend payable		-
	2018	10,000,000

Payable to / (Receivable from) Bhira Investments Limited ("Bhira")

- Loan		-
	2018	192,355,079
- Loan taken		10,000,000
	2018	25,000,000
- Interest expense		6,308,248
	2018	986,033
	2017	111,183
- Interest Payable		-
	2018	4,927,854
	2017	3,941,821

17. RELATED PARTY TRANSACTIONS (CONTINUED)

- Interest expense	2019	896,237
	2018	986,033
- Interest Payable	2019	-
	2018	4,927,855
- Other Payable	2019	3,333
	2018	87,541
<i>Payable to / (Receivable from) Khopoli Investments Limited ("Khopoli")</i>		
- Other receivable	2019	-
	2018	-
- Interest expense	2019	5,412,011
	2018	-
- Interest Payable	2019	5,412,011
	2018	-
- Other Payable	2019	16,444
	2018	-
- Loan taken	2019	208,260,700
	2018	-
<i>Payable to Indocoal Resources (Cayman) Limited</i>		
- Loan	2019	87,815,373
	2018	87,815,373

Compensation to key management personnel

No compensation has been paid to key management personnel for the year ended 31 March 2019 (2018: Nil).

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

18.1 Financial Assets at amortised cost

	2019	2018
Cash and Short term deposits (including interest accrued on short term deposit)	210	46,099
Total Financial Assets at amortised cost	210	46,099
Total Financial Assets	210	46,099
Total Current Financial Assets	210	46,099
Total Non Current Financial Assets	-	-

Prepayments amounting to USD2,800 (March 2018: USD4,550 and 1 April 2017 USD 4,550) do not form part of financial assets.

18.2 Financial liabilities

	Interest rate	Maturity	2019	2018
Interest-bearing loans and borrowings				
Bhira Investments Limited	LIBOR + 2.5%	on demand	-	43,000,000
Khopoli Investments Limited	LIBOR + 1.7%	on demand	208,260,700	-
Total interest-bearing loans and borrowings			208,260,700	43,000,000
Non interest-bearing loans and borrowings				
Bhira Investments Limited - non interest bearing			-	149,355,079
Indocoal Resources (Cayman) Limited			87,815,373	87,815,373
Total Non interest-bearing loans and borrowings			87,815,373	237,170,452
Other financial liabilities			5,444,028	15,033,312
Total Financial Liabilities			301,520,101	295,203,764
Total Current Financial Liability			301,520,101	295,203,764
Total Non Current Financial Liability			-	-

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

18.3 Fair values

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

	2019	
	Carrying amount	Fair value
	USD	USD
Financial Assets		
Cash and Short term deposits (including interest)	210	210
Total Financial Assets	210	210
Financial Liabilities		
Interest-bearing loans and borrowings	208,260,700	208,260,700
Non Interest-bearing loans and borrowings	87,815,373	87,815,373
Other financial liabilities	5,444,028	5,444,028
Total Financial Liabilities	301,520,101	301,520,101
	2018	
	Carrying amount	Fair value
	USD	USD
Financial Assets		
Cash and Short term deposits (including interest)	46,099	46,099
Total Financial Assets	46,099	46,099
Financial Liabilities		
Interest-bearing loans and borrowings	43,000,000	43,000,000
Non Interest-bearing loans and borrowings	237,170,452	237,170,452
Other financial liabilities	15,033,312	15,033,312
Total Financial Liabilities	295,203,764	295,203,764

The management assessed that the fair values of cash and short-term deposits, trade and other payables 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).

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

18.4 Financial instruments risk management objective & policies

(i) Market risk

Market risk is the risk that changes in market prices, such as (i) foreign exchange rates (currency risk) and (ii) interest rates (interest rate risk) will affect the Company's income or the value of its holdings of financial instruments. The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(ii) Currency risk

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 a joint venture entity incorporated in Cayman Islands. Since the main operations, revenues and bulk of the expenses of the joint venture entity are driven by the global market and the United States Dollar, the Company is not exposed to foreign currency risk.

(iii) 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.

Bank interest income may fluctuate in amount, in particular due to changes in the interest rate. The impact of a 5% fluctuation in the interest rates on bank interest income would be as follows:

	5% increase 2019 USD	5% decrease 2019 USD	5% increase 2018 USD	5% decrease 2018 USD
Bank interest income	12	(12)	4	(4)
Effect on profit before tax	<u>12</u>	<u>(12)</u>	<u>4</u>	<u>(4)</u>

All investments are financed by loan from related parties. Interest expense to related party 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:

	5% increase 2019 USD	5% decrease 2019 USD	5% increase 2018 USD	5% decrease 2018 USD
Interest expense on loan	315,412	(315,412)	49,203	(49,302)
Effect on profit before tax	<u>315,412</u>	<u>(315,412)</u>	<u>49,203</u>	<u>(49,302)</u>

(iv) Credit risk

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.

There is no material outstanding amount subject to credit risks.

All of the above are due from related companies. As such, directors believe exposure to credit risk to be minimal.

(v) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors and in managing the Company's short, medium and long term funding and liquidity requirements; the Board of Directors is guided by similar practices adopted by its holding company. The holding company is committed to provide a committed undertaking to give financial and other support to the company to ensure that it can meet obligation to its liabilities as they fall due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have 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 and be required to pay. The financial liabilities are payable within one year.

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

18.4 Financial instruments risk management objective & policies (continued)

(v) Liquidity risk management (Continued)

31-Mar-19	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
Financial assets				
Cash at Bank	210	-	-	210
Short term deposits (including interest)	-	-	-	-
	<u>210</u>	<u>-</u>	<u>-</u>	<u>210</u>
Financial liabilities				
Interest-bearing loans and borrowings	208,260,700	-	-	208,260,700
Non-interest bearing loans and borrowings	87,815,373	-	-	87,815,373
Other financial liabilities	5,444,028	-	-	5,444,028
	<u>301,520,101</u>	<u>-</u>	<u>-</u>	<u>301,520,101</u>
31-Mar-18				
	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
Financial assets				
Cash at Bank	84	-	-	84
Short term deposits (including interest)	-	46,015	-	46,015
	<u>84</u>	<u>46,015</u>	<u>-</u>	<u>46,099</u>
Financial liabilities				
Interest-bearing loans and borrowings	43,000,000	-	-	43,000,000
Non interest-bearing loans and borrowings	237,170,452	-	-	237,170,452
Other financial liabilities	10,000,000	5,033,312	-	15,033,312
	<u>290,170,452</u>	<u>5,033,312</u>	<u>-</u>	<u>295,203,764</u>

(vi) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance. The company's overall strategy remains unchanged from last year

(vii) Capital structure

The capital structure of the Company consists of net debt, stated capital and accumulated losses.

19. DIVIDEND PAID

No dividend was declared during the year ended 31 March 2019 (2018: USD35,000,000).

20. HOLDING AND ULTIMATE HOLDING COMPANY

The Company regards Tata Power Company Limited as the immediate holding and ultimate holding company. Tata Power Company Limited is incorporated in India and listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

21. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) 5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS, IFRS 11 JOINT ARRANGEMENTS AND IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 11 requires a parent company that holds investments in joint ventures to apply the equity method for accounting its investments. However, the Company has not applied the equity method for accounting its joint ventures.

The Company accounts for the investments in joint ventures amounting to USD 432,320,985 (31 March 2018 - USD 432,320,985) at cost as at balance sheet date. Under IFRS 11, if the Company had recognized its investment in a joint venture using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures profit before tax for year ended March 31, 2019 would have been higher by USD 736,745 (31 March 2018 - USD 1,720,286), retained earnings would have been higher by USD 68,013,143 (31 March 2018 - USD 67,276,398) and investments in joint venture would have been higher by USD 68,013,143 (31 March 2018 - USD 67,276,398) as at balance sheet date.

IFRS 12 Disclosure of Interests in Other Entities requires the parent company to make additional disclosures on its joint ventures. In addition to the information disclosed for each joint venture, the Company should give a summarized financial information including current assets, non-current assets, revenue, other comprehensive income among others and a reconciliation of the summarized financial information to the carrying amount of its interest in the joint venture.

The Company has not applied IFRS 11 and IFRS 12 given the fact that the same is done at the parent (The Tata Power Company limited) level as at 31 March 2019.

22. SEGMENT INFORMANTION

The Company has only one segment of operation which has as objective of to hold investments.

23. 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

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

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	As at March, 2019	Exchange Rate	Amount ₹	As at March, 2018	Exchange Rate	Amount ₹
	USD			USD		
ASSETS						
<u>Non current assets</u>						
Investments in joint ventures	43,23,20,985	69.16	29,89,98,38,108	43,23,20,985	65.18	28,17,76,01,000
	<u>43,23,20,985</u>	69.16	<u>29,89,98,38,108</u>	<u>43,23,20,985</u>	65.18	<u>28,17,76,01,000</u>
<u>Current assets</u>						
Prepayments	2,800	69.16	1,93,651	4,550	65.18	2,96,558
Cash and short term deposits	210	69.16	14,524	46,099	65.18	30,04,618
Other current financial Assets	-	69.16	-	-	65.18	-
	<u>3,010</u>	69.16	<u>2,08,175</u>	<u>50,649</u>	65.18	<u>33,01,176</u>
Total assets	<u>43,23,23,995</u>	69.16	<u>29,90,00,46,283</u>	<u>43,23,71,634</u>	65.18	<u>28,18,09,02,176</u>
EQUITY AND LIABILITIES						
<u>Capital and reserves</u>						
Issued capital	10,00,000	40.76	4,07,60,000	10,00,000	40.76	4,07,60,000
Retained earnings	12,98,03,894	32.10	4,16,66,10,144	13,61,67,870	33.87	4,61,14,15,155
Foreign Currency Translation Reserves	-		4,83,91,84,136	-		3,11,20,80,458
Total Equity	<u>13,08,03,894</u>	69.16	<u>9,04,65,54,281</u>	<u>13,71,67,870</u>	56.60	<u>7,76,42,55,613</u>
<u>Current liabilities</u>						
Other current financial liabilities	29,60,76,073	69.16	20,47,69,76,493	28,01,70,452	69.16	19,37,69,24,665
Dividend payable	-	69.16	-	1,00,00,000	69.16	69,16,12,000
Other payables	54,44,028	69.16	37,65,15,509	50,33,312	69.16	34,81,09,898
	<u>30,15,20,101</u>	69.16	<u>20,85,34,92,002</u>	<u>29,52,03,764</u>	69.16	<u>20,41,66,46,563</u>
Total equity and liabilities	<u>43,23,23,995</u>	69.16	<u>29,90,00,46,283</u>	<u>43,23,71,634</u>	65.18	<u>28,18,09,02,176</u>

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Year ended March, 2019	Exchange Rate	Amount ₹	Year ended March, 2018	ExGhange Rate	Amount ₹
	USD			USD		
REVENUE						
OPERATING EXPENSES						
Other operating expenses	55,968	69.89	39,11,839	90,233	64.45	58,15,282
	<u>55,968</u>	69.89	<u>39,11,839</u>	<u>90,233</u>	64.45	<u>58,15,282</u>
OPERATING LOSS	(55,968)	69.89	(39,11,839)	(90,233)	64.45	(58,15,282)
Finance income	240	69.89	16,775	73	64.45	4,705
Finance cost	63,08,248	69.89	44,09,09,947	9,86,033	64.45	6,35,47,263
LOSS BEFORE TAXATION	<u>(63,63,976)</u>	69.89	<u>(44,48,05,011)</u>	<u>(10,76,193)</u>	64.45	<u>(6,93,57,840)</u>
Taxation	-	69.89	-	-	64.45	-
LOSS FOR THE YEAR	<u>(63,63,976)</u>	69.89	<u>(44,48,05,011)</u>	<u>(10,76,193)</u>	64.45	<u>(6,93,57,840)</u>
OTHER COMPREHENSIVE INCOME	-	69.89	-	-	64.45	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(63,63,976)</u>	69.89	<u>(44,48,05,011)</u>	<u>(10,76,193)</u>	64.45	<u>(6,93,57,840)</u>

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Year ended March, 2019	Exchange Rate	Amount	Year ended March, 2018	Exchange Rate	Amount
	USD		₹	USD		₹
Cash flows from operating activities						
Loss before tax	(63,63,976)	69.89	(44,48,05,011)	(10,76,193)	64.45	(6,93,57,840)
Adjustments for:						
Interest Expense on Loan	63,08,248	69.89	44,09,09,947	9,86,033	64.45	6,35,47,277
Bank Interest Income	(240)	69.89	(16,775)	(73)	64.45	(4,690)
Expenses paid on behalf of the Company	-	69.89	-	-	64.45	-
Operating Profit before Working Capital Changes	(55,968)	69.89	(39,11,839)	(90,233)	64.45	(58,15,253)
Movement in working capital:						
Decrease in other receivables and prepayments	1,750	69.89	1,22,315	-	64.45	-
Increase in other payables	(73,440)	69.89	(51,33,030)	54,308	64.45	35,00,009
Net cash generated from / (used in) operating activities	(1,27,658)	69.89	(89,22,554)	(35,925)	64.45	(23,15,244)
Cash flows from investing activities						
Bank Interest received	240	69.89	16,775	76	64.45	4,884
Net cash generated from investing activities	240	69.90	16,775	76	64.45	4,884
Cash flows from financing activities						
Loan repaid by related party	(20,23,55,079)	69.89	(14,14,34,46,363)	-	64.45	-
Loan from related party	21,82,60,700	69.89	15,25,51,57,018	2,50,00,000	64.45	1,61,11,85,000
Dividend paid	(1,00,00,000)	69.89	(69,89,42,000)	(2,50,00,000)	64.45	(1,61,11,85,000)
Interest paid	(58,24,092)	69.89	(40,70,70,251)	-	64.45	-
Net cash generated from financing activities	81,529	69.89	56,98,404	-	64.45	-
Net increase / (decrease) in cash and cash equivalents	(45,889)	69.89	(32,07,375)	(35,849)	64.45	(23,10,360)
Cash and cash equivalents at beginning of year	46,099	65.18	30,04,618	81,948	64.85	53,14,328
Effect of exchange fluctuation on cash and cash equivalents			2,17,281			650
Cash and cash equivalents at end of year	210	69.16	14,524	46,099	65.18	30,04,618

BHIVPURI INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Stated capital	Exchange Rate	Amount	Retained Earnings	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
At 1 April, 2017	10,00,000	40.76	4,07,60,000	17,22,44,063	40.27	6,93,64,31,971	17,32,44,063	40.27	6,97,71,91,971
Profit for the year and total comprehensive Income				(10,76,193)	64.45	(6,93,57,840)	(10,76,193)	64.45	(6,93,57,840)
Dividend Paid				(3,50,00,000)	64.45	(2,25,56,58,976)	(3,50,00,000)	64.45	(2,25,56,58,976)
At 31 st March 2018	10,00,000	40.76	4,07,60,000	13,61,67,870	33.87	4,61,14,15,155	13,71,67,870	33.92	4,65,21,75,155
Profit for the year and total comprehensive Income				(63,63,976)	69.89	(44,48,05,011)	(63,63,976)	69.89	(44,48,05,011)
Dividend Paid				-	69.89	-	-	69.89	-
At 31 st March 2019	10,00,000	40.76	4,07,60,000	12,98,03,894	32.10	4,16,66,10,144	13,08,03,894	32.17	4,20,73,70,144