

KHOPOLI INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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

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KHOPOLI INVESTMENTS LIMITED
COMPANY INFORMATION

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		Date of appointment	Date of resignation
DIRECTORS	: Fareed Soreefan	6 January 2012	
	Zakir Niamut	16 September 2010	
	Resmah Mandary	18 May 2015	
	Ramesh Subramanyam	25 June 2014	31 July 2018
	Anand Agarwal	25 April 2016	4 July 2018
	Nandakumar Tirumalai (Permanent alternate to Mr Ramesh Subramanyam)	28 October 2016	31 May 2018
	Behram Mehta	1 August 2018	
	Yogesh Agarwal	1 August 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 Bank of Baroda Baroda House 32 City Road London, UK, EC1Y 2BD United Kingdom State Bank of India 15 King Street London, EC2VC 8EA3 United Kingdom Bank of America N.A 55F, Cheung Kong Centre 2 Queens Road Central, Central Hong Kong Sumitomo Mitsui Banking Corporation 3 Temasek Avenue, #06-01 Centennial Tower Singapore 039190		
AUDITOR	: Ernst & Young Mauritius 9th Floor, NeXTeracom Tower 1 Cybercity Ebene Mauritius		

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding and ancillary services of collecting accounts receivable of its related parties, provision of loans to related parties 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.

The Company had not declared and paid any dividend during the period under review (31 March 2018: Nil).

DIRECTORS

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

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 Khopoli 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:

Independent Auditor's report

TO THE SHAREHOLDER OF KHOPOLI INVESTMENTS LIMITED

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

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		2019	2018
	Notes	USD	USD
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Management fee income	15	-	1,000,000
OTHER INCOME			
Dividend income		9,110,235	3,388
Other income		515,527	19,364
		<u>9,625,762</u>	<u>1,022,752</u>
OPERATING EXPENSES			
Other operating expenses	19	275,697	459,193
Management fee expense		-	-
		<u>275,697</u>	<u>459,193</u>
OPERATING PROFIT		9,350,065	563,559
Finance income	17	6,918,497	9,882,832
Finance cost	18	(12,294,511)	(12,415,412)
PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEM		<u>3,974,051</u>	<u>(1,969,021)</u>
Exceptional item	16	10,978,147	-
PROFIT / (LOSS) BEFORE TAX		<u>14,952,198</u>	<u>(1,969,021)</u>
Taxation	20	(455,512)	(100,678)
PROFIT / (LOSS) FOR THE YEAR		<u><u>14,496,686</u></u>	<u><u>(2,069,699)</u></u>
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 INCOME / (LOSS) NET OF TAX		<u><u>14,496,686</u></u>	<u><u>(2,069,699)</u></u>
Earnings per share			
Basic		0.31	(0.04)
Diluted		0.31	(0.04)

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

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	Notes	2019 USD	2018 USD
ASSETS			
<u>Non-current asset</u>			
Investment in joint venture	5	-	49,107,316
Non current financial asset	7	-	273,309,418
		-	322,416,734
<u>Current assets</u>			
Trade and other receivables	9	7,516,446	106,558,015
Cash and Short term deposits	10	6,823,027	3,976,131
Other current financial assets	8	229,229,663	18,416,852
Prepayments		3,000	4,749
		243,572,136	128,955,747
Assets classified as held for sale	6	60,085,463	29,285
Total assets		303,657,599	451,401,766
EQUITY AND LIABILITIES			
<u>Equity</u>			
Issued Capital	11	47,007,350	47,007,350
Accumulated losses		10,862,702	(3,633,984)
Total Equity		57,870,052	43,373,366
<u>Non current liabilities</u>			
Interest bearing loans and borrowings	12	243,420,488	-
		243,420,488	-
<u>Current liabilities</u>			
Other payables	13	244,667	2,109,430
Interest bearing loans and borrowings	12	-	405,918,970
Other current financial liabilities	14	2,122,392	-
		2,367,059	408,028,400
Total equity and liabilities		303,657,599	451,401,766

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Director

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Director

The notes on pages 12 to 43 form an integral part of these financial statements.
The independent audit report is on pages 5 to 7.

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

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	Issued Capital	Accumulated losses	Total
	USD	USD	USD
At 1 April 2017	47,007,350	(1,564,285)	45,443,065
Loss for the year	-	(2,069,699)	(2,069,699)
Other comprehensive income for the year	-	-	-
At 31 March 2018	<u>47,007,350</u>	<u>(3,633,984)</u>	<u>43,373,366</u>
At 1 April 2018	47,007,350	(3,633,984)	43,373,366
Profit for the year	-	14,496,686	14,496,686
Other comprehensive income for the year	-	-	-
At 31 March 2019	<u>47,007,350</u>	<u>10,862,702</u>	<u>57,870,052</u>

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

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	2019 USD	2018 USD
Cash flows from operating activities		
Profit / (Loss) before tax	14,952,198	(1,969,021)
<i>Adjustments for:</i>		
Bank interest income	(138,052)	(123,902)
Interest income on loan	(9,201,891)	(8,344,844)
Impairment	(10,978,147)	-
Interest expenses on loan from banks	8,975,832	11,758,640
Marked to market gain on derivatives	2,675,108	(374,729)
Gain on disposal of shares	(515,527)	-
Unrealised Foreign exchange gain	2,421,446	(1,414,392)
Dividend Income	(9,110,235)	(3,388)
Profit for the year	<u>(919,268)</u>	<u>(471,636)</u>
Movement in working capital:		
(Increase) / Decrease in other receivables	(14,697)	8,414,397
(Decrease) / Increase in other payables	91,812	<u>(2,154,916)</u>
	77,115	6,259,481
<i>Cash generated from operating activities</i>	(842,153)	5,787,845
Withholding tax paid	(455,512)	(100,678)
Tax refund received	-	52,036
<i>Net cash generated from operating activities</i>	<u>(1,297,665)</u>	<u>5,739,203</u>
Cash flows from investing activities		
Dividend income	9,110,235	3,388
Bank interest received	141,537	131,676
Proceeds from disposal of investments	99,602,827	-
<i>Net cash generated from investing activities</i>	<u>108,854,599</u>	<u>135,064</u>
Cash flows from financing activities		
Interest paid on loan from bank	(9,657,619)	(10,526,929)
Upfront fees	(2,215,000)	(200,000)
Interest received	1,770,608	-
Loan to related party	(225,520,700)	-
Loan repaid to bank	(405,104,103)	-
Loan received from bank	245,000,000	-
Loan repaid by related party	291,016,776	-
<i>Net cash generated from/(used in) financing activities</i>	<u>(104,710,038)</u>	<u>(10,726,929)</u>
Net (decrease) / increase in cash and cash equivalents	2,846,896	(4,852,662)
Cash and cash equivalents at beginning of the year	3,976,131	8,828,793
Cash and cash equivalents at end of year	<u>6,823,027</u>	<u>3,976,131</u>

1. BACKGROUND INFORMATION

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. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company has its registered office at IFS Court, Bank Street, TwentyEight Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is that of investment holding and ancillary services of collecting accounts receivable of its related parties, provision of loan to related parties and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement (Continued)

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 Group'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) Non-current assets held for sale and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) **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.

(i) **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.

(j) **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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) **Financial instruments (Continued)**

-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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) **Financial instruments (Continued)**

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 Group 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Taxation (Continued)

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.

(p) 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 year, 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.

3.2 *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.

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

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**

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.

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 Australia and New Zealand Banking Corporation, Sumitomo Mitsui Banking Corporation & DBS Bank Ltd which uses the Proprietary model as their valuation methodology.

Fair value of derivative financial liabilities

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 Australia and New Zealand Banking Corporation, Sumitomo Mitsui Banking Corporation & DBS Bank Ltd which uses the Proprietary model as their valuation methodology.

5. INVESTMENT IN JOINT VENTURES

	2019	2018
	USD	USD
Opening balance	49,107,316	49,107,316
Additions during the year	-	-
Reversal of impairment	10,978,147	-
Reclassification to asset classified as held for sale	(60,085,463)	
Closing balance	-	49,107,316

Details of investment in joint ventures are as follows:

Name of joint venture	Country of incorporation	Number and type of shares	% holding	2019	2018
				Cost	Cost
				USD	USD
Cennergi (Proprietary) Limited	South Africa	86 ordinary shares	50%	-	49,107,316

The shares held in Cennergi (Proprietary) Limited carry voting rights. Cennergi (Proprietary) Limited, is a company focused on renewable energy projects in South Africa. The joint venture ("JV") in the future will examine the feasibility, development, ownership, operation, maintenance, acquisition and management of electricity generation projects in South Africa, Botswana and Namibia. The JV has already been awarded bids for 2 wind power projects, Amakhala Emoyeni Wind Farm and Tsitsikama Community Wind Farm and financial closure has been achieved for these projects. As at 31 March 2019, based on recent valuation done for Cennergi and the range of non-binding offers received for same, the directors are of the opinion that the impairment of USD10,978,147 provided in 2017 be reversed as at 31 March 2019.

The Board are considering disposing its investment in Cennergi (Proprietary) Limited and have decided to reclassify the investment as an asset classified as held for sale (please refer to Note 6 below).

6. ASSET CLASSIFIED AS HELD FOR SALE

Name of company	Country of incorporation	Number and type of shares	% Holding	2019	2018
				Cost	Cost
				USD	USD
PT Sumber Energi Andalan Tbk	Indonesia	2,280,000 ordinary shares	0.3%	-	29,285
Cennergi (Proprietary) Limited	South Africa	86 ordinary shares	50%	60,085,463	-
				60,085,463	29,285

6. ASSET CLASSIFIED AS HELD FOR SALE (CONTINUED)

The Board resolved to purchase a 0.3% stake in PT Sumber Energi Andalan Tbk ("PT Sumber") on 17 February 2014. PT Sumber is a company listed on the Indonesian Stock Exchange ("IDX") and is involved in investment holding, consultancy in energy and power sector in Indonesia. At a Board meeting of the Company held on 20 October 2016, it was approved that the investment held in PT Sumber be disposed to RWOOD Resources Limited for a consideration of USD 544,823 as per the "Agreement for the sale and purchase of shares in PT Sumber Energi Andalan TBK" dated 29 November 2016. The investment has been fully disposed during the year under review.

The Board are considering selling the investment held in Cennergi (Proprietary) Limited and have decided to reclassify the investment as an asset classified as held for sale.

In January 2019, Khopoli explored divestment options of its stake in Cennergi. Backed by solid generation performance in last 2.5 years, internal restructuring of its shareholder loans to the windfarms & improvement in microeconomics of South Africa, the Company's stake is estimated at more than USD 100 million. The Company has received offers for disposal of its stakes in Cennergi which is under consideration by management. On this basis, management has decided to reclassify the investment as asset held for sale.

7. NON CURRENT FINANCIAL ASSETS

Long term loans

	2019 USD	2018 USD
(a) Bhira Investments Limited	-	273,309,418
	-	-
	-	273,309,418
(a) <i>Bhira Investments Limited ("Bhira")</i>	2019 USD	2018 USD
Opening balance	273,309,418	340,000,000
Netting off of loan balance		(66,690,582)
Loan given		
Loan repaid	(273,309,418)	
Closing balance	-	273,309,418

The loan of USD 340,000,000 to Bhira is unsecured, repayable on 31 December 2021 and carries interest at the rate of LIBOR plus margin as agreed between the parties on the basis of 360 days a year. The effective rate of interest ranges from 1.95% to 2.87% per annum. The loan of USD 340,000,000 was adjusted with the payable balances with Bhira Investments Limited existing with effect from 1 January 2018 as approved by the Board on 9 March 2018. The loan balance of USD 273,309,418 bears interest at a rate of LIBOR + 1.31% with effect from 1 January 2018. The loan was fully repaid during the year.

8. OTHER CURRENT FINANCIAL ASSETS

	2019	2018
	USD	USD
Financial Assets (Refer to note (a) below)	229,229,663	17,778,403
Derivative Financial Assets	-	638,449
	<u>229,229,663</u>	<u>18,416,852</u>

(a) Financial Asset at amortised cost

	2019	2018
	USD	USD
Loans (Refer details below)	223,520,700	15,707,358
Interest on loan to related parties	5,706,481	2,065,078
Interest receivable on short-term deposits	2,482	5,967
	<u>229,229,663</u>	<u>17,778,403</u>

Loans:

i. Cennergi (Proprietary) Limited		
Opening balance	15,707,358	14,292,967
Additons during the year	-	-
Unrealised foreign exchange (loss)/ gain	(2,404,858)	1,414,391
Amount repaid during the year	(13,302,500)	-
Closing balance	<u>-</u>	<u>15,707,358</u>

The loan to Cennergi (Proprietary) Limited had been fully repaid on 10 October 2018.

ii. Bhira Investments Limited ("Bhira")		
Opening balance	-	-
Additons during the year	17,260,000	-
Amount repaid during the year	(2,000,000)	-
Closing balance	<u>15,260,000</u>	<u>-</u>

The Board of the Company had on 16 October 2018 approved a loan of upto USD25,000,000 to Bhira. The loan is unsecured and has a maximum tenor of 36 months which can be modified by mutual consent between the parties. The loan carries interest at the rate of LIBOR plus 1.7%. An amount of USD17,260,000 was disbursed out of which USD20,000,000 was repaid during the year.

iii. Bhivpuri Investments Limited ("Bhivpuri")		
Opening balance	-	-
Loan given	208,260,700	-
Closing balance	<u>208,260,700</u>	<u>-</u>

The Board of the Company had on 25 July 2018 approved the loan of upto USD250 million to Bhivpuri. Such loan is unsecured and has a maximum tenor of 36 months which can be modified by mutual consent between the parties. The loan carries interest at the rate of LIBOR plus 1.7%. The amount of USD208,260,000 was disbursed during the year.

8. OTHER CURRENT FINANCIAL ASSETS (CONTINUED)

(b) Derivative not designated as hedging instrument

Derivative financial assets/liabilities (Refer Note 14)

The Company had purchased interest rate swaps for the long term loan of USD245 million to mitigate the risk of adverse fluctuation in LIBOR. Hence, if the LIBOR is higher, the Company receives the applicable LIBOR on the notional value and pays only the fixed rate agreed on the outstanding notional value.

The derivative financial instruments which had been designated as derivative financial assets/liabilities at fair value through profit or loss have been classified as derivative financial liabilities pursuant to the marked to market value as at the reporting date.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2019	2018
	USD	USD
Management fee receivable	7,500,000	7,500,000
Other receivables	70,642	99,112,211
Provision for doubtful debts	(54,196)	(54,196)
	<u>7,516,446</u>	<u>106,558,015</u>

Management fees receivable from PT Arutmin Indonesia ("Arutmin") (PY: from Arutmin and Tata Power International Pte Limited ("TPIPL") is unsecured and carry no interest, and will be recalled for payment as and when required. Receivable from Arutmin is old, however, Arutmin is in the process of settling the same. Receivable from TPIPL was as per the Deed of Novation dated 29 March 2016, entered between PT Kaltim Prima Coal ("KPC"), TPIPL and the Company and the Service Agreement entered between TPIPL and the Company. As per the agreement, management fees of USD2,500,000 are receivable from TPIPL on a monthly basis. The monthly management fees was revised from USD2,500,000 to USD2,780,000 per month as per the Addendum for revision of compensation dated 13 January 2017 with effect from 1st January 2016. Pursuant to the Deed of Novation dated 28 February 2017 entered between Bhira, TPIPL and the Company, the monthly management fees income received by the Company from TPIPL has been novated in favour of Bhira with effect from 1 January 2017.

In determining the recoverability of the management fees receivable, the Company considers any change in the credit quality of the receivable from the date the credit was initially granted up to the reporting date.

The concentration of credit risk is limited given that Arutmin is liquid entity based on its latest available results. Accordingly, the directors believe that there is no need for allowance for doubtful debts.

Other receivables represent amounts due from Tata Power International Pte Ltd ("TPIPL") (PY : TPIPL and Tata Africa Holdings SA Proprietary Limited ("Tata Africa")). Receivables from TPIPL for USD99,058,015 was towards the disposal of the shares held by the Company in PT Baramulti Suksessarana ("BSSR") to the latter and same was received on 26 April 2018. The Company has provided for the receivables from Tata Africa as at 31 March 2019.

As at 31 March 2019, the ageing analysis of Trade receivables is as follows:

	Total	< 30 days	31-60 days	61-90 days	91-120 days	>120 days
	USD	USD	USD	USD	USD	USD
31-Mar-19	<u>7,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500,000</u>

10. CASH AND SHORT TERM DEPOSITS

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

	2019	2018
	USD	USD
Cash at bank	91,856	83,907
Short term bank deposits	6,731,171	3,892,224
	<u>6,823,027</u>	<u>3,976,131</u>

The interest rate on short term deposits ranges from 1.80% to 2.60% for the year under review. The term deposits are less than 3 months.

11. ISSUED CAPITAL

	2019	2018
	USD	USD
Ordinary shares of USD 1 each	47,007,350	47,007,350
	<u>47,007,350</u>	<u>47,007,350</u>

47,007,350 fully paid ordinary shares carry one vote per share and carry the right to dividends have been issued. The Company does not have authorised share capital.

12. INTEREST BEARING LOANS AND BORROWINGS

	2019	2018
	USD	USD
(a) Loan of USD305 million from SMBC	-	305,916,875
(b) Loan of USD100 million from SMBC	-	100,002,095
(c) Loan of USD245 million from SMBC	243,420,488	-
	<u>243,420,488</u>	<u>405,918,970</u>

(a) Loan of USD305 million from SMBC

The bank loan of USD305 million is unsecured and carries interest at an all-in rate of LIBOR plus Margin of 1.26% (with an upfront fee 1%). The total principal, is payable on the final maturity date, 31 August 2018. The loan is recognized at amortised cost. Tata Power Company Limited, the holding company stands as guarantor to an amount at all times equal to 105% of the principal amount of the loan then outstanding. The loan was fully repaid during the year under review.

	2019	2018
	USD	USD
Opening Balance	305,916,875	305,773,797
Loan amortization	3,555,481	7,812,618
Loan interest paid	(4,599,660)	(7,669,540)
Loan amount repaid	(304,872,696)	-
Closing Balance	<u>-</u>	<u>305,916,875</u>
Non current	-	-
Current	-	305,916,875
Total	<u>-</u>	<u>305,916,875</u>

12. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Loan of USD100 million from SMBC

Pursuant to a Term Facility Agreement dated 26 April 2017, USD100 million loan from SMBC was refinanced by a consortium of banks comprising of Bank of America, N.A. ("BOA") and Sumitomo Mitsui Banking Corporation ("SMBC"). The bank loan of USD100 million is unsecured and carries interest at the rate of LIBOR plus 0.90%. The total principal, is payable after 12 months from the utilisation date of 28 April 2017. The loan is recognized at amortised cost. Tata Power Company Limited, the holding company stands as guarantor to an amount at all times equal to 105% of the principal amount of the loan then outstanding. The loan amount was fully repaid during the year under review.

	2019	2018
	USD	USD
Opening Balance	100,025,236	-
Set up cost	-	(200,000)
Loan amortization	206,171	2,266,350
Loan repaid	(100,231,407)	(100,000,000)
Loan interest paid	-	197,958,886
Floating rate borrowing	-	100,025,236

12. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(c) Loan of USD245 million from SMBC

Pursuant to a Term Facility Agreement dated 24 August 2018, USD305 million loan from SMBC was refinanced by a consortium of banks comprising of Bank of America, N.A. ("BOA"), Sumitomo Mitsui Banking Corporation ("SMBC"), DBS Bank Ltd. ("DBS"), Industrial and Commercial Bank of China ("ICBC") and Australia and New Zealand Banking Group Limited ("ANZ") on 30 August 2018. The bank loan of USD 245 million is unsecured and carries interest at the rate of LIBOR plus 1.15%. The total principal, is payable after 24 months from the utilisation date of 24 August 2021. The loan is recognized at amortised cost. Tata Power Company Limited, the holding company stands as guarantor to an amount at all times equal to 105% of the principal amount of the loan then outstanding.

	2019	2018
	USD	USD
Opening Balance	-	-
Loan received	245,000,000	-
Upfront fee	(2,215,000)	-
Loan amortization	5,693,447	-
Loan repaid	-	-
Loan interest paid	(5,057,959)	-
Floating rate borrowing	243,420,488	-
Non current	-	-
Current	243,420,488	-
Total	243,420,488	-

13. OTHER PAYABLES

	2019	2018
	USD	USD
Accruals	52,576	67,652
Other payables to shareholders	138,945	291,706
Other payables to related party	3,333	71,984
Interest payable on loan	49,813	1,678,088
	244,667	2,109,430

14. OTHER CURRENT FINANCIAL LIABILITIES

	2019	2018
	USD	USD
Marked to market payable on derivatives (Refer Note 8 b)	2,122,392	
	<u>2,122,392</u>	<u>-</u>

15. MANAGEMENT FEE INCOME

Pursuant to a Deed of Novation dated 1 August 2012 entered between the Company, Bhivpuri Investments Limited, PT Kaltim Prima Coal ("KPC") and PT Arutmin Indonesia ("Arutmin"), the Company provides management support services to KPC and Arutmin. As per the Deed of Novation dated 29 March 2016, entered between KPC, Tata Power International Pte Limited ("TPIPL") and the Company, management fees of USD2,500,000 are receivable from TPIPL on a monthly basis. The monthly management fees was revised from USD2,500,000 to USD2,780,000 per month as per the Addendum for revision of compensation dated 13 January 2017 with effect from 1 January 2016. Subsequently, at a meeting of the Board of directors of the Company held on 25 January 2017, it was resolved that the monthly management fees from TPIPL be novated in favour of Bhira Investments Limited as from 1 January 2017. The Company has issued waiver letter in respect of the waiver of management fee income from Arutmin for the period from 1 July 2013 to 31 December 2018. During the year, the Company did not receive any management fee from KPC (2018: USD1,000,000).

16. EXCEPTIONAL ITEM

	2019	2018
	USD	USD
Reversal of impairment (refer to Note 5)	10,978,147	-
	<u>10,978,147</u>	<u>-</u>

17. FINANCE INCOME

	2019	2018
	USD	USD
Bank interest income	138,052	123,903
Interest income on loan from related parties	9,201,891	8,344,844
Foreign exchange gain	(2,421,446)	1,414,085
	<u>6,918,497</u>	<u>9,882,832</u>

18. FINANCE COST

	2019	2018
	USD	USD
Interest on loan from banks	8,975,832	11,758,641
Guarantee commission (Note (a) below)	643,571	1,031,500
Marked to market loss/(gain) on derivatives	2,675,108	(374,729)
	<u>12,294,511</u>	<u>12,415,412</u>

Note (a) GUARANTEE COMMISSION

Guarantee commission represent arm's length fees payable to the holding company for providing corporate guarantees to the bank loans of USD100 Million and USD245 Million (Note 12) (PY bank loans USD135 million & USD 245 Million). Since the loan of USD305 has been fully repaid, this explains the lower guarantee commission for the year ended 31 March 2019 of USD643,571 (2018: USD1,031,500).

19. OTHER OPERATING EXPENSES

	2019	2018
	USD	USD
Audit fees	53,322	17,960
Other expenses	8,919	61,704
Legal and professional fees	125,350	181,731
Service fee expenses (Note a below)	88,106	197,798
	<u>275,697</u>	<u>459,193</u>

Note (a) SERVICE FEE EXPENSE

The Company has entered into a Procurement Services Agreement dated 1 September 2012 with its holding Company, The Tata Power Company Limited ("Tata Power"), for the provision of expert services to the Company in relation to investment opportunity evaluation and capital raising. The Company pays service fee expense to Tata Power in exchange of its services. The service fee expense for the year ended 31 March 2019 was USD88,106 (2018: USD197,978).

20. 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.

20. TAXATION (CONTINUED)

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

The Company had a tax charge of USD455,512 (31 March 2018: USD100,678) during the year under review. The tax charge pertains to withholding tax suffered on dividend income received from PT Sumber and management fee income from PT Kaltim Prima Coal.

	2019	2018
	USD	USD
(Loss) / Profit before taxation	14,952,198	(1,969,021)
Tax at the applicable rate of 15%	2,242,830	(295,353)
Tax effect of:		
Other allowable expenses	(1,547,538)	(1,543,728)
Items outside scope of taxation	536,026	1,469,106
Non allowable expenses	-	14,548
Exempt income	(78,468)	-
Withholding tax suffered	(455,512)	(100,678)
Foreign tax credit	(637,938)	-
Deferred tax asset not recognised	(514,912)	355,427
Tax Charge	(455,512)	(100,678)

21. RELATED PARTY TRANSACTIONS

For the year under review, the Company transacted with related parties. Details of the nature, volume of transactions and the balances with the related parties are as follows:

		Amount
		USD
<i>(a) (i) The Tata Power Co Ltd (Holding Company)</i>		
Guarantee commission	2019	(643,571)
	2018	(1,031,500)
Service fees	2019	(88,106)
	2018	(197,798)
Guarantee commission payable	2019	(138,945)
	2018	(254,342)
Service fees payable	2019	-
	2018	(37,364)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (ii) Bhira Investments Limited ("Bhira")(fellow subsidiary)

- Loan receivable	2019	15,260,000
	2018	273,309,418
- Loan payable	2019	-
	2018	-
- Interest Receivable	2019	294,470
	2018	2,065,078
- Management fees payable	2019	-
	2018	-
- Hedging cost payable	2019	-
	2018	(71,984)
- Other payable	2019	(3,333)
	2018	-
- Interest income	2019	3,789,880
	2018	8,344,844
- Management fee expenses	2019	-
	2018	-

(a) (iii) Cennergi (Proprietary) Limited

- Loan receivable	2019	-
	2018	15,707,358
- Expenses payable	2019	26,665
	2018	46,398
- Unrealised foreign exchange gain	2019	16,341
	2018	1,414,392
-Dividend income	2019	9,110,235
	2018	-

(a) (iv) PT Kaltim Prima Coal

- Management Service fee income	2019	-
	2018	1,000,000

(a) (v) PT Sumber Energi Andalan Tbk

-Dividend income	2019	-
	2018	3,388

(a) (vi) Bhiopuri Investments Limited ("Bhira")(fellow subsidiary)

- Interest income	2019	5,412,011
	2018	-
- Interest Receivable	2019	5,412,011
	2018	-
- Other Receivable	2019	16,444
	2018	-
- Loan receivable	2019	208,260,700
	2018	-

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (vii) Tata Power International Pte Ltd

-Other receivable	2019	-
	2018	99,058,015

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 31st March 2019 are unsecured and settlement occurs in cash. Guarantee is outstanding from The Tata Power Company Limited on USD245 million loan as at 31 March 2019. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 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.

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

22.1 Financial assets

	2019	2018
Derivatives not designated as hedging instruments		
Derivative Financial Assets - interest rate swaps	-	638,449
Total Derivative Financial Asset	-	638,449
Financial Assets at amortised cost		
Trade and Other receivables	7,516,446	106,558,015
Cash and Short term deposits	6,823,027	3,976,131
Loans given to related parties	223,520,700	289,016,776
Interest on short term deposits and on loan to related parties	5,708,963	2,071,045
Total Financial Assets at amortised cost	243,569,136	401,621,967
Total Financial Assets	243,569,136	402,260,416
Total Current Financial Assets	243,569,136	128,950,998
Total Non Current Financial Assets	-	273,309,418

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 USD245 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.

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.2 Financial liabilities

Interest-bearing loans and borrowings	Interest rate	Maturity	2019	2018
Current interest-bearing loans and borrowings				
USD 135 M Loan from Bank	LIBOR + 1.2%	23-Apr-17	-	-
USD 100 M Loan from Bank	LIBOR + 0.9%	28-Apr-18	-	100,002,095
USD 305 M Loan from Bank	LIBOR + 1.26%	31-Aug-18	-	305,916,875
Total current interest-bearing loans and borrowings			-	405,918,970
Non-current interest-bearing loans and borrowings				
USD 245 M Loan from Bank	LIBOR + 1.15%	24-Aug-21	243,420,488	-
Total non-current interest-bearing loans and borrowings			243,420,488	-
Total interest-bearing loans and borrowings			243,420,488	405,918,970
Other financial liabilities				
Derivatives not designated as hedging instruments			2,122,392	-
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings			244,667	2,109,430
Total Other financial liabilities			2,367,059	2,109,430
Total Financial Liabilities			245,787,547	408,028,400
Total Current Financial Liabilities			2,367,059	408,028,400
Total Non Current Financial Liabilities			243,420,488	-

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.3 Derivatives not designated as hedging instruments

The Company had purchased interest rate swaps for the long term loan of USD245 million to mitigate the risk of adverse fluctuation in LIBOR. Hence, if the LIBOR is higher, the Company receives the applicable LIBOR on the notional value and pays only the fixed rate agreed on the outstanding notional value.

The Company does not use hedge accounting to account for the derivatives.

22.4 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.

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
	USD	USD	USD	USD
Financial Assets				
Derivative Financial Assets- interest rate swaps designated as hedging instruments	-	-	638,449	638,449
Trade and Other receivables	7,516,446	7,516,446	106,558,015	106,558,015
Cash and Short term deposits	6,823,027	6,823,027	3,976,131	3,976,131
Loans given to related parties	223,520,700	223,520,700	15,707,358	15,707,358
Interest on short term deposits and on loan to related parties	5,708,963	5,708,963	2,071,045	2,071,045
Non current financial asset	-	-	273,309,418	273,309,418
Total Financial Assets	243,569,136	243,569,136	402,260,416	402,260,416
Financial Liabilities				
Interest-bearing loans and borrowings	243,420,488	243,420,488	405,918,970	405,918,970
Derivative Financial Liabilities- interest rate swaps designated as hedging instruments	2,122,392	2,122,392		
Other financial liabilities	244,667	244,667	2,109,430	2,109,430
Total Financial Liabilities	245,787,547	245,787,547	408,028,400	408,028,400

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.

Except for derivatives which are included in level 2, the carrying amounts of other financial assets and financial liabilities approximate their fair values.

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.4 Fair values (Continued)

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).

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

	Average contracted		Nominal principal amount		Fair value assets (liabilities)	
	fixed interest rate					
	2019	2018	2019	2018	2019	2018
	%	%	USD	USD		
Less than 1 year	-	1.25	-	7,50,00,000	-	4,17,439
Less than 1 year	-	1.59	-	7,50,00,000	-	2,21,009
More than 1 year	2.98	-	1,50,00,000	-	(2,34,601)	-
More than 1 year	3.12	-	6,00,00,000	-	(10,71,508)	-
More than 1 year	3.08	-	1,50,00,000	-	(2,57,538)	-
Less than 1 year	2.54	-	2,00,00,000	-	(23,093)	-
More than 1 year	3.08	-	1,50,00,000	-	(2,58,779)	-
More than 1 year	2.97	-	1,50,00,000	-	(2,30,618)	-
Less than 1 year	2.50	-	2,00,00,000	-	(15,274)	-
More than 1 year	2.59	-	2,00,00,000	-	(30,982)	-
			<u>18,00,00,000</u>	<u>15,00,00,000</u>	<u>(21,22,392)</u>	<u>6,38,448</u>

22.5 Financial instruments risk management objectives and policies

In its ordinary operations, the Company's investment activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.5 Financial instruments risk management objectives and policies (Continued)

(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) 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. The Company's financial assets and liabilities 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 on loan to/from related parties may fluctuate in amount, in particular due to changes in the LIBOR rate.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year.

The impact of a 5% fluctuation in the interest rates on various loans taken by the Company would be as follows:

	5% increase 2019 USD	5% decrease 2019 USD	5% increase 2018 USD	5% decrease 2018 USD
Interest expense on loan	448,792	(448,792)	587,932	(587,932)
Effect on profit before tax	<u>(448,792)</u>	<u>448,792</u>	<u>(587,932)</u>	<u>587,932</u>

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.5 Financial instruments risk management objectives and policies (Continued)

(ii) Interest rate risk (Continued)

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	6,903	(6,903)	6,195	(6,195)
Effect on profit before tax	<u>6,903</u>	<u>(6,903)</u>	<u>6,195</u>	<u>(6,195)</u>

Interest income from 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 to related parties would be as follows:

	5% increase 2019 USD	5% decrease 2019 USD	5% increase 2018 USD	5% decrease 2018 USD
Interest income on loan	460,095	(460,095)	417,242	(417,242)
Effect on profit before tax	<u>460,095</u>	<u>(460,095)</u>	<u>417,242</u>	<u>(417,242)</u>

(iii) 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.

<i>Carrying Amount</i>	2019 USD	2018 USD
Loan receivable	223,520,700	289,016,776
Interest receivable on loan from related parties	5,706,481	2,065,078
Trade & Other Receivables	<u>7,516,446</u>	<u>106,558,015</u>
	<u>236,743,627</u>	<u>397,639,869</u>

(iv) 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 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.

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

22.5 Financial instruments risk management objectives and policies (Continued)

(iv) Liquidity risk management (Continued)

Liquidity and interest risk tables

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.

2019	On demand USD	Less than 1 Year USD	More than 1 Year USD	Total USD
Financial assets				
Interest-bearing loans to related parties and short term deposits	223,520,700	6,731,171	-	230,251,871
Cash at Bank	91,856	-	-	91,856
Other Financial Assets	-	5,708,963	-	5,708,963
Trade and Other receivables	7,516,446	-	-	7,516,446
	<u>231,129,002</u>	<u>12,440,134</u>	<u>-</u>	<u>243,569,136</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Financial liabilities				
Interest-bearing loans and borrowings	-	-	243,420,488	243,420,488
Non-interest bearing loans and borrowings	-	-	-	-
Derivatives not designated as hedging instruments	-	38,365	2,084,027	2,122,392
Other financial liabilities	244,667	-	-	244,667
	<u>244,667</u>	<u>38,365</u>	<u>245,504,515</u>	<u>245,787,547</u>

22. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

(v) Liquidity risk management (Continued)

Liquidity and interest risk tables (Continued)

2018	On demand USD	Less than 1 Year USD	More than 1 Year USD	Total USD
Financial assets				
Interest-bearing loans to related parties and short term deposits	-	3,892,224	273,309,418	277,201,642
Non interest-bearing loans to related parties	15,707,358	-	-	15,707,358
Cash at Bank	83,907	-	-	83,907
Other Financial Assets	-	2,071,045	-	2,071,045
Trade and Other receivables	106,558,015	-	-	106,558,015
Derivative Financial Assets-Interest rate swaps	-	638,449	-	638,449
	<u>122,349,280</u>	<u>6,601,718</u>	<u>273,309,418</u>	<u>402,260,416</u>
Financial liabilities				
Interest-bearing loans and borrowings	-	405,918,970	-	405,918,970
Non interest-bearing loans and borrowings	-	-	-	-
Derivatives not designated as hedging instruments	-	-	-	-
Other financial liabilities	2,109,430	-	-	2,109,430
	<u>2,109,430</u>	<u>405,918,970</u>	<u>-</u>	<u>408,028,400</u>

Capital risk management

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

Capital Structure

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

23. IMMEDIATE HOLDING AND ULTIMATE HOLDING COMPANY

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

24. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) 11 INTERESTS IN 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 60,085,463 (31 March 2018 USD - 49,107,316) 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 lower by **USD 14,186,679** (31 March 2018 - USD 3,922,236), retained earnings would have been lower by **USD 30,803,245** (31 March 2018 - USD 32,731,237), Assets classified as held for sale would have been lower by **USD 30,803,245** (Investments in joint venture 31 March 2018 - USD 32,731,237) as at balance sheet date.

The company's investment in Cennergi Limited, amounting to USD 60,085,463 has been held for sale as at March, 31, 2019. The investment was not accounted under the equity method. IFRS 5 Non Current Assets Held for Sale and Discontinued Operations requires the Company to carry such investment at lower of its carrying value or fair value less costs to sell. However, the investment is currently carried at cost. It would have been reflected at its carrying amount, had the investment been equity accounted as per IFRS 11 as at March 31, 2019.

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.

25. SEGMENT INFORMANTION

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

26. 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.

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

	As at March, 2019 USD	Exchange Rate	Amount ₹	As at March, 2018 USD	Exchange Rate	Amount ₹
ASSETS						
<u>Non current assets</u>						
Investment in joint ventures	-	69.16	-	4,91,07,316	65.18	3,20,06,92,089
Non current financial assets	-	69.16	-	27,33,09,418	65.18	17,81,36,24,592
	<u>-</u>		<u>-</u>	<u>32,24,16,734</u>	65.18	<u>21,01,43,16,681</u>
<u>Current assets</u>						
Trade and other receivables	75,16,446	69.16	51,98,46,425	10,65,58,015	65.18	6,94,51,85,023
Cash and Short term deposits	68,23,027	69.16	47,18,88,735	39,76,131	65.18	25,91,54,278
Other current financial Assets	22,92,29,663	69.16	15,85,37,98,569	1,84,16,852	65.18	1,20,03,64,371
Prepayments	3,000	69.16	2,07,484	4,749	65.18	3,09,528
	<u>24,35,72,136</u>	69.16	<u>16,84,57,41,213</u>	<u>12,89,55,747</u>	65.18	<u>8,40,50,13,200</u>
Assets classified as held for sale	6,00,85,463	69.16	4,15,55,82,724	29,285	65.18	19,08,723
Total assets	<u>30,36,57,599</u>	69.16	<u>21,00,13,23,937</u>	<u>45,14,01,766</u>	65.18	<u>29,42,12,38,604</u>
EQUITY AND LIABILITIES						
<u>Capital and reserves</u>						
Issued Capital	4,70,07,350	54.29	2,55,19,32,526	4,70,07,350	54.29	2,55,19,32,526
Accumulated losses	1,08,62,702	68.41	74,31,42,037	(36,33,984)	91.85	(33,37,67,527)
Exchange fluctuation reserve	-		70,72,87,678	-		60,88,02,564
Total Equity	<u>5,78,70,052</u>	69.16	<u>4,00,23,62,241</u>	<u>4,33,73,366</u>	65.18	<u>2,82,69,67,563</u>
<u>Non current liabilities</u>						
Interest bearing loans and borrowings	24,34,20,488	69.16	16,83,52,53,055	-	65.18	-
	<u>24,34,20,488</u>	69.16	<u>16,83,52,53,055</u>	<u>-</u>	65.18	<u>-</u>
<u>Current liabilities</u>						
Other payables	2,44,667	69.16	1,69,21,463	21,09,430	65.18	13,74,87,374
Interest bearing loans and borrowings	-	69.16	-	40,59,18,970	65.18	26,45,67,83,667
Other current financial liabilities	21,22,392	69.16	14,67,87,178	-	65.18	-
	<u>23,67,059</u>	69.16	<u>16,37,08,641</u>	<u>40,80,28,400</u>	65.18	<u>26,59,42,71,041</u>
Total equity and liabilities	<u>30,36,57,599</u>	69.16	<u>21,00,13,23,937</u>	<u>45,14,01,766</u>	65.18	<u>29,42,12,38,604</u>

KHOPOLI 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	Exchange Rate	Amount
	USD		₹	USD		₹
REVENUE						
Management fee income	-	69.89	-	10,00,000	64.45	6,44,47,400
Dividend income	91,10,235	69.89	63,67,52,587	3,388	64.45	2,18,348
Other income	5,15,527	69.89	3,60,32,347	19,364	64.45	12,47,959
	<u>96,25,762</u>	69.89	<u>67,27,84,934</u>	<u>10,22,752</u>	64.45	<u>6,59,13,707</u>
OPERATING EXPENSES						
Other operating expenses	2,75,697	69.89	1,92,69,621	4,59,193	64.45	2,95,93,795
Management fee expense	-	69.89	-	-	64.45	-
	<u>2,75,697</u>	69.89	<u>1,92,69,621</u>	<u>4,59,193</u>	64.45	<u>2,95,93,795</u>
OPERATING PROFIT	93,50,065	69.89	65,35,15,313	5,63,559	64.45	3,63,19,912
Finance Income	69,18,497	69.89	48,35,62,813	98,82,832	64.45	63,69,22,827
Finance cost	1,22,94,511	69.89	85,93,15,011	1,24,15,412	64.45	80,01,41,023
(LOSS) / PROFIT BEFORE TAX AND EXCEPTIONAL ITEM	<u>39,74,051</u>	64.45	<u>27,77,63,115</u>	<u>(19,69,021)</u>	64.45	<u>(12,68,98,284)</u>
Exceptional item	1,09,78,147	69.89	76,73,08,802	-	64.45	-
(LOSS) / PROFIT BEFORE TAX	<u>1,49,52,198</u>	69.89	<u>1,04,50,71,917</u>	<u>(19,69,021)</u>	64.45	<u>(12,68,98,284)</u>
Tax expense	(4,55,512)	69.89	(3,18,37,647)	1,00,678	64.45	64,88,435
PROFIT / (LOSS) AND OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	<u>1,44,96,686</u>	74.29	<u>1,07,69,09,564</u>	<u>(20,69,699)</u>	64.45	<u>(13,33,86,719)</u>

KHOPOLI 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		
Cash flows from operating activities						
Profit / (Loss) before tax	1,49,52,198	69.89	1,04,50,71,917	(19,69,021)	64.45	(12,68,98,284)
<i>Adjustments for:</i>						
Bank interest income	(1,38,052)	69.89	(96,49,034)	(1,23,902)	64.45	(79,85,162)
Interest income on loan	(92,01,891)	69.89	(64,31,58,810)	(83,44,844)	64.45	(53,78,03,499)
Impairment	(1,09,78,147)	69.89	(76,73,08,802)	-	64.45	-
Interest expenses on loan from banks	89,75,832	69.89	62,73,58,597	1,17,58,640	64.45	75,78,13,776
Marked to market gain on derivatives	26,75,108	69.89	18,69,74,534	(3,74,729)	64.45	(2,41,50,310)
Gain on disposal of shares	(5,15,527)	69.89	(3,60,32,376)	-	64.45	-
Unrealised Foreign exchange gain	24,21,446	69.89	16,92,45,031	(14,14,392)	64.45	(9,11,53,887)
Dividend income	(91,10,235)	69.89	(63,67,52,587)	(3,388)	64.45	(2,18,348)
	(9,19,268)	69.89	(6,42,51,530)	(4,71,636)	64.45	(3,03,95,714)
<i>Movement in working capital:</i>						
Decrease in other receivables	(14,697)	69.89	(10,27,235)	84,14,397	64.45	54,22,86,009
(Decrease) / Increase in other payables	91,812	69.89	64,17,126	(21,54,916)	64.45	(13,88,78,724)
Cash generated from operating activities	(8,42,153)	69.89	(5,88,61,639)	57,87,845	64.45	37,30,11,571
Withholding tax paid	(4,55,512)	69.89	(3,18,37,647)	(1,00,678)	64.45	(64,88,435)
Tax refund received	-	69.89	-	52,036	64.45	33,53,585
Net cash generated from operating activities	(12,97,665)	69.89	(9,06,99,286)	57,39,203	64.45	36,98,76,721
Cash flows from investing activities						
Dividend income	91,10,235	69.89	63,67,52,587	3,388	64.45	2,18,348
Bank interest received	1,41,537	69.89	98,92,614	1,31,676	64.45	84,86,176
Investments in joint ventures	-	69.89	-	-	64.45	-
Proceeds from disposal of investments	9,96,02,827	69.89	6,96,16,59,911	-	64.45	-
Net cash generated from / (used in) investing activities	10,88,54,599	69.89	7,60,83,05,112	1,35,064	64.45	87,04,524
Cash flows from financing activities						
Interest paid on loan from bank	(96,57,619)	69.89	(67,50,11,554)	(1,05,26,929)	64.45	(67,84,33,204)
Upfront fees	(22,15,000)	69.89	(15,48,15,653)	(2,00,000)	64.45	(1,28,89,480)
Interest received	17,70,608	69.89	12,37,55,232	-	64.45	-
Loan to related party	(22,55,20,700)	69.89	(15,76,25,88,910)	-	64.45	-
Loan repaid to bank	(40,51,04,103)	69.89	(28,31,44,27,196)	-	64.45	-
Loan received from bank	24,50,00,000	69.89	17,12,40,79,000	-	64.45	-
Loan repaid by related party	29,10,16,776	69.89	20,34,03,84,761	-	64.45	-
Net cash used in financing activities	(10,47,10,038)	69.89	(7,31,86,24,320)	(1,07,26,929)	64.45	(69,13,22,684)
Net increase / (decrease) in cash and cash equivalents	28,46,896	69.89	19,89,81,506	(48,52,662)	64.45	(31,27,41,439)
Cash and cash equivalents at beginning of year	39,76,131	65.18	25,91,54,278	88,28,793	64.85	57,25,47,226
Effect of exchange fluctuation on cash and cash equivalents			1,37,52,951			(6,51,509)
Cash and cash equivalents at end of year	68,23,027	69.16	47,18,88,735	39,76,131	65.18	25,91,54,278

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

	Stated capital	Exchange Rate	Amount	(Accumulated losses) / Retained Earnings	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
At 1 April, 2017	4,70,07,350	54.29	2,55,19,32,526	(15,64,285)	128.10	(20,03,80,808)	4,54,43,065	51.75	2,35,15,51,718
Profit and total comprehensive income for the year				(20,69,699)	64.45	(13,33,86,719)	(20,69,699)	64.45	(13,33,86,719)
At 31 March 2018	4,70,07,350	54.29	2,55,19,32,526	(36,33,984)	91.85	(33,37,67,527)	4,33,73,366	51.14	2,21,81,64,999
Profit and total comprehensive income for the year				1,44,96,686	74.29	1,07,69,09,564	1,44,96,686	74.29	1,07,69,09,564
At 31 March 2019	4,70,07,350	54.29	2,55,19,32,526	1,08,62,702	68.41	74,31,42,037	5,78,70,052	56.94	3,29,50,74,563