

## **AUDITOR'S REPORT**

To  
Board of Directors,  
The Tata Power Company Limited,  
Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001

### **Report on the Audit of Fit for Consolidation Reporting Package of Bhivpuri Investments Limited as at and for the year ended March 31, 2021**

#### **Opinion**

We have audited the accompanying Fit for Consolidation (FFC) Reporting Package (herein referred to as "FFC Reporting Package") of Bhivpuri Investments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the FFC Reporting Package, including a summary of significant accounting policies and other explanatory information. The FFC Reporting Package has been prepared by the management of the Company and The Tata Power Company Limited ('TPCL'), (hereinafter referred to as the 'Management') in accordance with Group Accounting Policies of TPCL, for the purpose of preparation of consolidated Ind AS financial statements of TPCL. The FFC Reporting Package has been prepared for the information and use of the board of directors of Tata Power Company Limited, the Holding Company to comply with the financial requirements in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid FFC Reporting Package gives a true and fair view in conformity with the Group Accounting Policies of TPCL, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the FFC Reporting Package in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the FFC Reporting Package' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the FFC Reporting Package, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the FFC Reporting Package.

#### **Responsibility of Management for the FFC Reporting Package**

The Management of the Company including those charged with governance are responsible for preparation of the FFC Reporting Package that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Group Accounting Policies of TPCL, which are concluded by the Management to be in accordance with the recognition and measurement principle of the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') and other accounting principles generally accepted in India. This responsibility also includes maintenance

of adequate accounting records, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the FFC Reporting Package that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the FFC Reporting Package, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the FFC Reporting Package**

Our objectives are to obtain reasonable assurance about whether the FFC Reporting Package as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the FFC Reporting Package.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the FFC Reporting Package, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ This report does not include report on the internal financial controls ('Report on internal financial controls'), since in our opinion and accordingly to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the FFC Reporting Package or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the FFC Reporting Package, including the disclosures, and whether the FFC Reporting Package represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Vishal Bansal  
Partner  
Membership Number: 097546



UDIN: 21097546AAAADC7246

Mumbai  
May 12, 2021

BHIVPURI INVESTMENTS LIMITED  
FIT FOR CONSOLIDATION REPORTING PACKAGE  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 USD	2020 USD
<b>ASSETS</b>			
<u>Non-current asset</u>			
Investment in Joint Ventures	4	43,23,20,985	43,23,20,985
		<u>43,23,20,985</u>	<u>43,23,20,985</u>
<u>Current assets</u>			
Prepayments	5	4,975	4,800
Cash and short term deposits	6	111	110
		<u>5,086</u>	<u>4,910</u>
Total assets		<u>43,23,26,071</u>	<u>43,23,25,895</u>
<b>EQUITY AND LIABILITIES</b>			
<u>Capital and reserves</u>			
Issued capital	7	10,00,000	10,00,000
Retained earnings		18,22,23,427	12,20,33,004
Total equity		<u>18,32,23,427</u>	<u>12,30,33,004</u>
<u>Current liabilities</u>			
Other current financial liabilities	8	22,98,96,188	29,60,76,073
Other payables	9	1,92,06,456	1,32,16,818
		<u>24,91,02,644</u>	<u>30,92,92,891</u>
Total equity and liabilities		<u>43,23,26,071</u>	<u>43,23,25,895</u>

See accompanying Notes to the Reporting Package

As per our report on even date  
For S R B C & CO LLP  
Chartered Accountants  
(Registration No.324982E/E300003)



Vishal Bansal  
Partner  
Membership No. 097546  
Mumbai  
Date: May 12, 2021



For and on behalf of the Bhivpuri Investments Limited



Jinendra Vardhaman Patil  
Director

Mumbai  
Date: May 12, 2021

BHIVPURI INVESTMENTS LIMITED  
FIT FOR CONSOLIDATION REPORTING PACKAGE  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPEHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 USD	2020 USD
<b>INCOME</b>			
Dividend Income		6,61,79,885	-
		<u>6,61,79,885</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Other Operating Expenses	11	93,447	1,02,863
		<u>93,447</u>	<u>1,02,863</u>
OPERATING PROFIT/(LOSS)		6,60,86,438	(1,02,863)
Finance Cost	12	(39,27,443)	(76,68,027)
PROFIT/(LOSS) BEFORE TAX		<u>6,21,58,995</u>	<u>(77,70,890)</u>
Taxation	10	(19,68,572)	-
PROFIT/(LOSS) FOR THE YEAR		<u>6,01,90,423</u>	<u>(77,70,890)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
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) FOR THE YEAR		<u>6,01,90,423</u>	<u>(77,70,890)</u>

See accompanying Notes to the Reporting Package

As per our report on even date  
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BHIVPURI INVESTMENTS LIMITED  
FIT FOR CONSOLIDATION REPORTING PACKAGE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Issued capital USD	Retained earnings USD	Total USD
At 1 April 2019	10,00,000	12,98,03,894	13,08,03,894
Loss for the year and total comprehensive loss	-	(77,70,890)	(77,70,890)
At 31 March 2020	10,00,000	12,20,33,004	12,30,33,004
Profit for the year and total comprehensive income	-	6,01,90,423	6,01,90,423
At 31 March 2021	10,00,000	18,22,23,427	18,32,23,427

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BHIVPURI INVESTMENTS LIMITED  
FIT FOR CONSOLIDATION REPORTING PACKAGE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021

	2021 USD	2020 USD
Cash flows from operating activities		
Profit before tax	6,21,58,995	(77,70,890)
<i>Adjustments for:</i>		
Interest expense on loan	39,27,443	76,68,027
Bank interest income	-	-
	<u>6,60,86,438</u>	<u>(1,02,863)</u>
Movement in working capital:		
Increase in other receivables and prepayments	(175)	(2,000)
Increase in other payables	20,62,195	1,04,763
<i>Net cash used in operating activities</i>	<u>6,81,48,458</u>	<u>(100)</u>
Taxation	(19,68,572)	-
<i>Net cash flows from operations</i>	<u>6,61,79,886</u>	<u>(100)</u>
<i>Cash flows from investing activities</i>		
Bank interest received	-	-
<i>Net cash generated from investing activities</i>	<u>-</u>	<u>-</u>
<i>Cash flows from financing activities</i>		
Loan repaid to related party	(6,61,79,885)	-
<i>Net cash generated from financing activities</i>	<u>(6,61,79,885)</u>	<u>-</u>
Net decrease in cash and cash equivalents	1	(100)
Cash and cash equivalents at beginning of year	110	210
Cash and cash equivalents at end of year (refer Note 7)	<u>111</u>	<u>110</u>

As per our report on even date  
For S R B C & CO LLP  
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(Registration No.324982E/E300003)

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Mumbai  
Date: May 12, 2021



For and on behalf of the Bhivpuri Investments Limited

Jinendra Vardhaman Patil  
Director

Mumbai  
Date: May 12, 2021

## 1. BACKGROUND INFORMATION

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Fit for Consolidation (FFC) Reporting Package (herein referred to as "Reporting Package") has been prepared in accordance with the Group Accounting Policies of The Tata Power Company Limited ('TPCL'), which are concluded by the Management to be in accordance with the recognition and measurement principle of the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') and other accounting principles generally accepted in India.

The preparation of the Reporting Package in accordance with and in compliance with the Group Accounting Policies requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the Reporting Package. 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 Reporting Package has been prepared in accordance with the Group Accounting Policies of The Tata Power Company Limited ('TPCL'), which are concluded by the Management to be in accordance with the recognition and measurement principle of the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') and other accounting principles generally accepted in India.

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

### (b) Investments in joint ventures

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

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

### (c) Non current assets held for sale

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

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

### (d) Current v/s non current classification

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

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the Reporting Package 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 Reporting Package of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The Reporting Package of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

*Transactions and balances*

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

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

(g) Cash dividend

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

(h) Cash and short term deposits

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments

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

(i) Financial Assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

-Financial assets at amortised cost

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

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

And

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

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

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

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

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

And

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

- Derecognition

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

The rights to receive cash flows from the asset have expired

Or

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

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

- Impairment of financial assets

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

(ii) Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in the Group Accounting Policies 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.

(j) 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.

(k) 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.

(l) Expense recognition

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

(m) Taxation

Current tax

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Current and deferred tax for the period

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

(n) 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. 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 Reporting Package.

*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 various primary & secondary factors 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.

4. INVESTMENT IN JOINT VENTURES

	2021 USD	2020 USD
Investment in joint venture	<u>43,23,20,985</u>	<u>43,23,20,985</u>

Details of the investment in joint venture are as follows:

	Place of incorporation	Number of shares	2021 % Holding	2021 USD Cost	2020 USD Cost
(a)	IndoCoal KPC Resources (Cayman) Limited	Cayman Islands	300 30%	300	300
(b)	IndoCoal Resources (Cayman) Limited	Cayman Islands	300 30%	43,23,20,685	43,23,20,685
				<u>43,23,20,985</u>	<u>43,23,20,985</u>

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

(a) IndoCoal KPC Resources (Cayman) Limited

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

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

(b) IndoCoal Resources (Cayman) Limited

The Company together with its related party, Bhira Investments Limited ("Bhira"), entered into a conditional agreement on 30 January 2014 with an unrelated third party named Long Haul Holdings Limited for the sale of PT Arutmin Indonesia ("Arutmin"), PT Indocoal Kalsel Resources ("Kalsel") and Indocoal Resources Cayman Limited ("Indocoal") for Arutmin Assets & Liabilities.

Since then, there have been amendments made to the conditional agreement and the long stop date had been extended multiple times. However, the sale was not completed since some conditions precedents needed to be fulfilled prior to the transfer of shares and receipt of the consideration, which include clearances from the lenders. The Company and Bhira have been in constant negotiations with the counterparty and an alternative arrangement has been negotiated.

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

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

The titles of shares will be transferred upon execution of the amended and restated Arutmin Share Purchase Agreement ("Amendment Agreement"). However, as a security to unrealized payments, the shares will be pledged back in favour of the Company on and around the date of completion. The investment has not yet been disposed of as at 31 March 2021 and has been carried at cost.

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

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5.	PREPAYMENTS		
		2021	2020
		USD	USD
	Prepayments	4,975	4,800
		<u>4,975</u>	<u>4,800</u>

6. CASH AND SHORT TERM DEPOSITS

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

		2021	2020
		USD	USD
	Cash at bank	111	110
		<u>111</u>	<u>110</u>

7. ISSUED CAPITAL

		2021	2020
		USD	USD
	Ordinary shares of EUR 1 each	10,00,000	10,00,000

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

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

8. OTHER CURRENT FINANCIAL LIABILITIES

	Loans	2021	2020
		USD	USD
	(a) Indocoal Resources (Cayman) Limited	2,16,35,488	8,78,15,373
	(b) Khopoli Investments Limited	20,82,60,700	20,82,60,700
		<u>22,98,96,188</u>	<u>29,60,76,073</u>

(a) *Indocoal Resources (Cayman) Limited*

		2021	2020
		USD	USD
	Closing balance	2,16,35,488	8,78,15,373

The loan is unsecured, interest free and repayable on demand.

(b) *Khopoli Investments Limited*

		2021	2020
		USD	USD
	Opening balance	20,82,60,700	20,82,60,700
	Loan received	-	-
	Closing balance	<u>20,82,60,700</u>	<u>20,82,60,700</u>

The Company had entered into a loan agreement with Khopoli Investments Limited on 25 July 2018, for an amount up to USD 250 million. The loan is unsecured, interest bearing at a rate of LIBOR + 1.7% and repayable on demand.

9. OTHER PAYABLES

		2021	2020
		USD	USD
	Other payable and accruals	19,79,003	14,391
	Payable to related party	2,19,972	1,22,389
	Interest on loan	1,70,07,481	1,30,80,038
		<u>1,92,06,456</u>	<u>1,32,16,818</u>

10. TAXATION

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

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

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

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

	<u>2021</u>	<u>2020</u>
	USD	USD
Profit\ (Loss) before taxation	<u>6,21,58,995</u>	<u>(77,70,890)</u>
Tax at the applicable rate of 15%	93,23,849	(11,65,634)
Tax effect of:		
Unallowable expenses	5,89,116	
Tax losses utilised	(70,105)	
Deemed tax credit at 80%	(78,74,288)	9,32,507
Deferred tax asset not recognised		<u>2,33,127</u>
Taxation	<u>19,68,572</u>	<u>-</u>
11. OTHER OPERATING EXPENSES		
	<u>2021</u>	<u>2020</u>
	USD	USD
Audit fees	15,440	16,520
Other expenses	2,500	2,550
Legal and professional fees	<u>75,507</u>	<u>83,793</u>
	<u>93,447</u>	<u>1,02,863</u>
12. FINANCE COST		
	<u>2021</u>	<u>2020</u>
	USD	USD
Interest expense on loan from related parties	<u>39,27,443</u>	<u>76,68,027</u>
	<u>39,27,443</u>	<u>76,68,027</u>

13. RELATED PARTY TRANSACTIONS

For the year ended 31 March 2021 the Company entered into the following related party transactions. Details of the nature, volume of transactions and the balances with the related parties are as follows:

*Transactions with & Payable to / (Receivable from) Bhira Investments Limited ("Bhira")*

		USD
- Consultancy Fee	2021	-
	2020	40,000
- Other Payable	2021	-
	2020	43,333

*Transactions with & Payable to / (Receivable from) Khopoli Investments Limited ("Khopoli")*

- Interest expense	2021	39,27,443
	2020	76,68,027
- Interest Payable	2021	1,70,07,481
	2020	1,30,80,038
- Other Payable	2021	2,19,972
	2020	79,056
- Loan taken	2021	-
	2020	20,82,60,700

*Transactions with & Payable to Indocoal Resources (Cayman) Limited*

- Loan outstanding	2021	2,16,35,488
	2020	8,78,15,373

*Transactions with & Payable to SANNE Mauritius*

- Administrative Fees Expense	2021	20,000
	2020	29,851
- Administrative Fees Payable	2021	3,334
	2020	3,334

*Compensation to key management personnel*

No compensation has been paid to key management personnel for the year ended 31 March 2021 (2020: Nil).

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

14.1	Financial Assets at amortised cost		2021	2020
	Cash and Short term deposits ( including interest accrued on short term deposit)		111	110
	Total Financial Assets at amortised cost		<u>111</u>	<u>110</u>
	Total Financial Assets		<u>111</u>	<u>110</u>
	Total Current Financial Assets		<u>111</u>	<u>110</u>
	Total Non Current Financial Assets		<u>-</u>	<u>-</u>
14.2	Financial liabilities			
	Interest-bearing loans and borrowings	Interest rate	2021	2020
	Khopoli Investments Limited	LIBOR + 1.7%	20,82,60,700	20,82,60,700
	Total interest-bearing loans and borrowings	Maturity on demand	<u>20,82,60,700</u>	<u>20,82,60,700</u>
	Non interest-bearing loans and borrowings			
	Indocoal Resources (Cayman) Limited		2,16,35,488	8,78,15,373
	Total Non interest-bearing loans and borrowings		<u>2,16,35,488</u>	<u>8,78,15,373</u>
	Other financial liabilities		1,92,06,456	1,32,16,818
	Total Financial Liabilities		<u>24,91,02,644</u>	<u>30,92,92,891</u>
	Total Current Financial Liability		<u>24,91,02,644</u>	<u>30,92,92,891</u>
	Total Non Current Financial Liability		<u>-</u>	<u>-</u>

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

14.3 Fair values

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

	2021	
	Carrying amount	Fair value
	USD	USD
<b>Financial Assets</b>		
Cash and Short term deposits (including interest)	111	111
<b>Total Financial Assets</b>	<b>111</b>	<b>111</b>
<b>Financial Liabilities</b>		
Interest-bearing loans and borrowings	20,82,60,700	20,82,60,700
Non Interest-bearing loans and borrowings	2,16,35,488	2,16,35,488
Other financial liabilities	1,92,06,456	1,92,06,456
<b>Total Financial Liabilities</b>	<b>24,91,02,644</b>	<b>24,91,02,644</b>

	2020	
	Carrying amount	Fair value
	USD	USD
<b>Financial Assets</b>		
Cash and Short term deposits (including interest)	110	110
<b>Total Financial Assets</b>	<b>110</b>	<b>110</b>
<b>Financial Liabilities</b>		
Interest-bearing loans and borrowings	20,82,60,700	20,82,60,700
Non Interest-bearing loans and borrowings	8,78,15,373	8,78,15,373
Other financial liabilities	1,32,16,818	1,32,16,818
<b>Total Financial Liabilities</b>	<b>30,92,92,891</b>	<b>30,92,92,891</b>

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

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

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

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

Level 1- Quoted prices (unadjusted) in active market for identical assets and liabilities:

Level 2- Input other than quoted prices included within level 1 that are observable for the asset and liability either directly (that is as prices) or indirectly (that is derived from prices); and

Level 3- For the asset or liability that are not based on observable market data (unobservable inputs).

## 14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

## 14.4 Financial instruments risk management objective &amp; policies

*(i) Market risk*

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

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

*(ii) Currency risk*

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

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

*(iii) Interest rate risk*

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

The company does not have significant interest income and fluctuation in the interest rates would not cause any material impact to the profit/loss of the company.

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

	5% increase 2021 USD	5% decrease 2021 USD	5% increase 2020 USD	5% decrease 2020 USD
Interest expense on loan	(1,96,372)	1,96,372	(3,83,401)	3,83,401
Effect on profit before tax	<u>(1,96,372)</u>	<u>1,96,372</u>	<u>(3,83,401)</u>	<u>3,83,401</u>

*(iv) Credit risk*

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

There is no material outstanding amount subject to credit risks.

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

*(v) Liquidity risk management*

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

*Liquidity and interest risk tables*

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can receive and be required to pay. The financial liabilities are payable within one year.

BHIVPURI INVESTMENTS LIMITED  
 NOTES TO THE FIT FOR CONSOLIDATION REPORTING PACKAGE  
 FOR THE YEAR ENDED 31 MARCH 2021

14. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

14.4 Financial instruments risk management objective & policies (continued)

(v) Liquidity risk management (Continued)

31-Mar-21	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
<b>Financial assets</b>				
Cash at Bank	111	-	-	111
	<u>111</u>	<u>-</u>	<u>-</u>	<u>111</u>
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings	20,82,60,700	-	-	20,82,60,700
Non-interest bearing loans and borrowings	2,16,35,488	-	-	2,16,35,488
Other financial liabilities	1,92,06,456	-	-	1,92,06,456
	<u>24,91,02,644</u>	<u>-</u>	<u>-</u>	<u>24,91,02,644</u>
<b>31-Mar-20</b>				
	On demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
<b>Financial assets</b>				
Cash at Bank	110	-	-	110
	<u>110</u>	<u>-</u>	<u>-</u>	<u>110</u>
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings	20,82,60,700	-	-	20,82,60,700
Non interest-bearing loans and borrowings	8,78,15,373	-	-	8,78,15,373
Other financial liabilities	1,32,16,818	-	-	1,32,16,818
	<u>30,92,92,891</u>	<u>-</u>	<u>-</u>	<u>30,92,92,891</u>

(vi) Capital risk management

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

(vii) Capital structure

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

15. DIVIDEND PAID

No dividend was declared or paid during the year ended 31 March 2021 (2020: Nil).

16. 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.

The Reporting Package has been prepared for the information and use of the board of directors of Tata Power Company Limited, the Holding Company to comply with the financial requirements in India.

17. SEGMENT INFORMATION

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

18. 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.

19. The recent emergence of the COVID-19 coronavirus pandemic in early 2020 has led to significant global economic volatility and uncertainty and it is uncertain how long this volatility will continue. The Company is monitoring the situation closely and evaluating to what extent, if any, it may impact on its the going concern.

The directors are of the opinion that the Company will continue to meet its short-term working capital requirements and other obligations through utilisation of existing cash resources and financial support from its Holding Company, The Tata Power Company Limited. The directors are therefore of the opinion that the Company is not at risk of not continuing as a going concern.

The directors have evaluated the possibility of additional subsequent events in the Company's Reporting Package to date and have determined there were no additional material events that would require disclosure in the Reporting Package.

As per our report on even date  
For S R B C & CO LLP  
Chartered Accountants  
(Registration No.324982E/E300003)



Vishal Bansal  
Partner  
Membership No. 097546  
Mumbai  
Date: May 12, 2021



For and on behalf of the Bhivpuri Investments Limited



Jinendra Vardhaman Patil  
Director

Mumbai  
Date: May 12, 2021

**BHIVPURI INVESTMENTS LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	As at March, 2021 USD	Exchange Rate	Amount ₹	As at March, 2020 USD	Exchange Rate	Amount ₹
<b>ASSETS</b>						
<u>Non current assets</u>						
Investments in joint ventures	43,23,20,985	73.11	31,60,80,68,016	43,23,20,985	75.54	32,65,86,08,009
	<u>43,23,20,985</u>	73.11	<u>31,60,80,68,016</u>	<u>43,23,20,985</u>	75.54	<u>32,65,86,08,009</u>
<u>Current assets</u>						
Prepayments	4,975	73.11	3,63,735	4,800	75.54	3,62,604
Cash and short term deposits	111	73.11	8,115	110	75.54	8,310
	<u>5,086</u>	73.11	<u>3,71,850</u>	<u>4,910</u>	75.54	<u>3,70,914</u>
<b>Total assets</b>	<b><u>43,23,26,071</u></b>	<b>73.11</b>	<b><u>31,60,84,39,866</u></b>	<b><u>43,23,25,895</u></b>	<b>75.54</b>	<b><u>32,65,89,78,923</u></b>
<b>EQUITY AND LIABILITIES</b>						
<u>Capital and reserves</u>						
Issued capital	10,00,000	40.76	4,07,60,000	10,00,000	40.76	4,07,60,000
Retained earnings	18,22,23,427	43.99	8,01,64,46,016	12,20,33,004	29.63	3,61,57,73,714
Foreign Currency Translation Reserves	-		5,33,87,16,791	-		5,63,76,86,998
<b>Total Equity</b>	<b><u>18,32,23,427</u></b>	<b>73.11</b>	<b><u>13,39,59,22,807</u></b>	<b><u>12,30,33,004</u></b>	<b>75.54</b>	<b><u>9,29,42,20,712</u></b>
<u>Current liabilities</u>						
Other current financial liabilities	22,98,96,188	73.11	16,80,82,85,045	29,60,76,073	75.54	22,36,63,26,737
Other payables	1,92,06,456	73.11	1,40,42,32,014	1,32,16,818	75.54	99,84,31,474
	<u>24,91,02,644</u>	73.11	<u>18,21,25,17,059</u>	<u>30,92,92,891</u>	75.54	<u>23,36,47,58,211</u>
<b>Total equity and liabilities</b>	<b><u>43,23,26,071</u></b>	<b>73.11</b>	<b><u>31,60,84,39,866</u></b>	<b><u>43,23,25,895</u></b>	<b>75.54</b>	<b><u>32,65,89,78,923</u></b>

**BHIVPURI INVESTMENTS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Year ended March, 2021	Exchange Rate	Amount ₹	Year ended March, 2020	Exchange Rate	Amount ₹
	USD			USD		
<b>REVENUE</b>						
Dividend Income	6,61,79,885	73.11	4,83,85,76,842	-	-	-
	<b>6,61,79,885</b>	73.11	<b>4,83,85,76,842</b>	-	-	-
<b>OPERATING EXPENSES</b>						
Other operating expenses	93,447	73.11	68,32,144	1,02,863	70.88	72,91,403
	<b>93,447</b>	73.11	<b>68,32,144</b>	<b>1,02,863</b>	70.88	<b>72,91,403</b>
<b>OPERATING LOSS</b>	6,60,86,438	73.11	4,83,17,44,698	(1,02,863)	70.88	(72,91,403)
Finance income	-	73.11	-	-	70.88	-
Finance cost	39,27,443	73.11	28,71,45,176	76,68,027	70.88	54,35,45,027
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>6,21,58,995</b>	73.11	<b>4,54,45,99,522</b>	<b>(77,70,890)</b>	70.88	<b>(55,08,36,430)</b>
Taxation	(19,68,572)	73.11	(14,39,27,220)	-	70.88	-
<b>LOSS FOR THE YEAR</b>	<b>6,01,90,423</b>	73.11	<b>4,40,06,72,302</b>	<b>(77,70,890)</b>	70.88	<b>(55,08,36,430)</b>
OTHER COMPREHENSIVE INCOME	-	73.11	-	-	70.88	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>6,01,90,423</b>	73.11	<b>4,40,06,72,302</b>	<b>(77,70,890)</b>	70.88	<b>(55,08,36,430)</b>

**BHIVPURI INVESTMENTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Stated capital	Exchange Rate	Amount	Retained Earnings	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
<b>At 31 st March 2019</b>	<b>10,00,000</b>	<b>40.76</b>	<b>4,07,60,000</b>	<b>12,98,03,894</b>	<b>32.10</b>	<b>4,16,66,10,144</b>	<b>13,08,03,894</b>	<b>32.17</b>	<b>4,20,73,70,144</b>
Profit for the year and total comprehensive Income				(77,70,890)	70.88	(55,08,36,430)	(77,70,890)	70.88	(55,08,36,430)
<b>At 31 st March 2020</b>	<b>10,00,000</b>	<b>40.76</b>	<b>4,07,60,000</b>	<b>12,20,33,004</b>	<b>29.63</b>	<b>3,61,57,73,714</b>	<b>12,30,33,004</b>	<b>29.72</b>	<b>3,65,65,33,714</b>
Profit for the year and total comprehensive Income				6,01,90,423	73.11	4,40,06,72,302	6,01,90,423	73.11	4,40,06,72,302
<b>At 31 st March 2021</b>	<b>10,00,000</b>	<b>40.76</b>	<b>4,07,60,000</b>	<b>18,22,23,427</b>	<b>43.99</b>	<b>8,01,64,46,016</b>	<b>18,32,23,427</b>	<b>43.97</b>	<b>8,05,72,06,016</b>

**BHIVPURI INVESTMENTS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Year ended March, 2021	Exchange Rate	Amount	Year ended March, 2020	Exchange Rate	Amount
	USD		₹	USD		₹
<b>Cash flows from operating activities</b>						
Profit/Loss before tax	6,21,58,995	73.11	4,54,45,99,522	(77,70,890)	70.88	(55,08,36,430)
Adjustments for:						
Interest Expense on Loan	39,27,443	73.11	28,71,45,176	76,68,027	70.88	54,35,45,027
Bank Interest Income	-	73.11	-	-	70.88	-
<b>Operating Profit before Working Capital Changes</b>	<b>6,60,86,438</b>	<b>73.11</b>	<b>4,83,17,44,698</b>	<b>(1,02,863)</b>	<b>70.88</b>	<b>(72,91,403)</b>
Movement in working capital:						
Increase in other receivables and prepayments	(175)	73.11	(12,795)	(2,000)	70.88	(1,41,769)
Increase in other payables	20,62,195	73.11	15,07,72,232	1,04,763	70.88	74,26,083
<b>Net cash generated from / (used in) operating activities</b>	<b>6,81,48,458</b>	<b>73.11</b>	<b>4,98,25,04,135</b>	<b>(100)</b>	<b>70.89</b>	<b>(7,089)</b>
Taxation	(19,68,572)	73.11	(14,39,27,220)	-	70.88	-
<b>Net cashflows from operating activities</b>	<b>6,61,79,886</b>	<b>73.11</b>	<b>4,83,85,76,915</b>	<b>(100)</b>		<b>(7,089)</b>
<b>Cash flows from investing activities</b>						
Bank Interest received	-	73.11	-	-	70.88	-
<b>Net cash generated from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>						
Loan repaid by related party	(6,61,79,885)	73.11	(4,83,85,76,842)	-	70.88	-
<b>Net cash generated from financing activities</b>	<b>(6,61,79,885)</b>	<b>70.88</b>	<b>(4,83,85,76,842)</b>	<b>-</b>	<b>70.88</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1</b>	<b>73.00</b>	<b>73</b>	<b>(100)</b>	<b>70.89</b>	<b>(7,089)</b>
Cash and cash equivalents at beginning of year	110	75.55	8,310	210	69.16	14,524
Effect of exchange fluctuation on cash and cash equivalents			(268)			875
<b>Cash and cash equivalents at end of year</b>	<b>111</b>	<b>73.11</b>	<b>8,115</b>	<b>110</b>	<b>75.55</b>	<b>8,310</b>