Company Registration No. 201826600N

Bhira Investments Pte. Ltd.

Annual Financial Statements
31 March 2022

Bhira Investments Pte. Ltd.

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The directors present their statement to the member together with the audited financial statements of Bhira Investments Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) at the date of this statement, with its related parties’ undertaking not to demand payment for amounts owing to them unless the Company’s cash flow permits, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Dsouza Randolph Joseph Francis
Shweta Mathur
Jinendra Vardhaman Patil

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors’ shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditor

Ernst and Young LLP have expressed their willingness to accept appointment as auditor.

On behalf of the board of directors,

Shweta Mathur
Director

Dsouza Randolph Joseph Francis
Director

Singapore
31 May 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bhira Investments Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises the directors' statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, 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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SSAs 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 these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 financial statements 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

We communicate with the directors 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

31 May 2022

Bhira Investments Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2022

	Note	2022	2021
		US$	US$
Operating income		116,545	123,059
Dividend income		195,660,672	172,626,872
		195,777,217	172,749,931
Operating expenses	6	(452,879)	(463,121)
Operating profit		195,324,338	172,286,810
Impairment loss on investment		–	(101)
Finance income	4	2,316,128	2,203,035
Finance costs	5	(6,775,128)	(8,293,172)
Profit before income tax		190,865,338	166,196,572
Income tax expense	7	(18,938,735)	(17,281,170)
Profit for the year, representing total comprehensive income for the year attributable to the owner of the Company		171,926,603	148,915,402

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

Bhira Investments Pte. Ltd.

Balance sheet
As at 31 March 2022

	Note	2022	2021
		US$	US$
Assets			
Non-current assets			
Investment in joint ventures	9	567,590,341	567,590,341
Other investment	10	–	–
Non-current financial asset	12	–	52,208,065
		567,590,341	619,798,406
Current assets			
Trade and other receivables	11	44,110	8,620,000
Other current financial assets	12	143,363,604	3,019,819
Cash and cash equivalents	13	177,350,334	51,814,487
		320,758,048	63,454,306
Assets classified as held for sale	14	100,089,097	100,089,097
Total assets		988,437,486	783,341,809
Equity and liabilities			
Current liabilities			
Other payables	15	261,899,956	21,712,669
Other current financial liabilities	18	87,924,761	62,184,761
Advance received for sale of investment in joint venture	14	99,278,965	92,641,241
Interest-bearing loans and borrowings	17	194,798,932	–
Income tax payable		9,669	9,134
		643,912,283	176,547,805
Net current liabilities		(223,065,138)	(13,004,402)
Non-current liabilities			
Interest-bearing loans and borrowings	17	–	194,195,404
Total liabilities		643,912,283	370,743,209
Net assets		344,525,203	412,598,600
Equity attributable to the owner of the Company			
Share capital	16	1,000,000	1,000,000
Retained earnings		343,525,203	411,598,600
Total equity		344,525,203	412,598,600
Total equity and liabilities		988,437,486	783,341,809

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

Bhira Investments Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2022

	Share capital (Note 16) US$	Retained earnings US$	Total equity US$
Balance at 1 April 2020	1,000,000	265,369,875	266,369,875
Profit for the year, representing total comprehensive income for the year	–	148,915,402	148,915,402
Distribution to holding company (Note 24)	–	(2,686,677)	(2,686,677)
Balance at 31 March 2021 and 1 April 2021	1,000,000	411,598,600	412,598,600
Profit for the year, representing total comprehensive income for the year	–	171,926,603	171,926,603
Dividend paid, representing transactions with owner recognised directly in equity (Note 19)	–	(240,000,000)	(240,000,000)
Balance at 31 March 2022	1,000,000	343,525,203	344,525,203

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

Bhira Investments Pte. Ltd.

Statement of cash flows
For the financial year ended 31 March 2022

	Note	2022	2021
		US$	US$
Cash flow from operating activities			
Profit before income tax		190,865,338	166,196,572
Adjustments for:			
Bank interest income	4	(216,666)	(144,406)
Interest income on loan to related parties	4	(2,099,462)	(2,057,342)
Interest expense on loan from related parties	5	2,490,804	3,515,904
Interest expense on loan from banks	5	3,279,093	5,678,641
Realised marked to market gain on derivatives	5	–	(1,904,648)
Impairment loss		–	101
Dividend income		(195,660,672)	(172,626,872)
Operating cash flows before changes in working capital		(1,341,565)	(1,342,050)
Changes in working capital:			
Decrease in trade and other receivables		8,539,632	113,834
(Increase)/decrease in other payables		(363,256)	664
		8,176,376	114,498
Cash flows used in operations		6,834,811	(1,227,553)
Tax paid		(18,938,200)	(16,997,179)
Net cash flows used in operating activities		(12,103,389)	(18,224,732)
Investing activities			
Bank interest received		216,666	152,694
Interest received on loan to related party		–	110,217
Loan given to related party		(89,000,000)	(30,000,000)
Loan repaid by related party		–	3,000,000
Advance received for sale of investment in joint venture		6,637,724	4,491,775
Investment in joint venture		–	(134,334)
Dividend received		198,660,672	169,626,872
Net cash flows generated from investing activities		116,515,062	147,247,224
Financing activities			
Interest paid on loan from bank		(2,675,565)	(5,105,647)
Interest paid on loan from related party		(1,940,261)	(6,907,800)
Loan received from related party		173,400,000	34,731,807
Loan repaid to related party		(147,660,000)	(152,499,474)
Net cash flows generated from/(used in) financing activities		21,124,174	(129,781,114)
Net increase/(decrease) in cash and cash equivalents		125,535,847	(758,621)
Cash and cash equivalents at beginning of the year		51,814,487	52,573,108
Cash and cash equivalents at end of the year	13	177,350,334	51,814,487

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

1. Corporation information

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

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

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

The principal 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. The principal activities of the joint ventures are disclosed in Note 9 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

Going concern uncertainty

The Company is in a net current liability position of US$ 223,065,138 (2021: US$13,004,402). The financial statements have been prepared on a going concern basis as the Company is able to meet its liabilities as when they fall due, with an undertaking from its related parties not to demand for payment of amounts owed by the Company to them unless cash flow of the Company permits such payment.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these did not have any material effect on the financial performance or position of the Company.

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

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 16 *Property, Plant and Equipment*: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 *Foreign currency*

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

Transactions and balances

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

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

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

2.5 *Consolidation*

In accordance with Singapore Financial Reporting Standard No. 110 and Section 201(3BA) of the Companies Act 1967, the Company need not prepare consolidated financial statements. The financial statements of the joint ventures have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, The Tata Power Company Ltd, incorporated in India, on a worldwide basis and such financial statements are publicly available. The registered address of The Tata Power Company Ltd is located at Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

2.6 *Impairment of non-financial assets*

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated.

Impairment losses are recognised in profit or loss.

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

2.7 *Joint venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. In the Company's financial statements, investment in joint ventures are accounted for at cost less impairment losses.

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

2.8 *Financial instruments*

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

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through OCI and fair value through profit or loss.

Investment in debt instruments

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are measured using the effective interest (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of financial assets are recognised in OCI, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

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

2.8 *Financial instruments (cont'd)*

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

Subsequent measurement (cont'd)

Investment in debt instruments (cont'd)

(iii) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost of FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss in the period in which is arises.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset have expired. On derecognition of a financial asset, in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amount and the consideration paid is recognised in the profit or loss.

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

2.8 *Financial instruments (cont'd)*

(c) *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered to and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(d) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when the Company currently has a legally enforceable 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.

2.9 *Impairment of financial assets*

The Company recognised an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

2.10 *Cash and cash equivalents*

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

2.11 *Provisions*

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

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

2.12 *Borrowing costs*

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

2.13 *Financial guarantee*

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.14 *Non-current assets held for sale*

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

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

2.15 ***Revenue***

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

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

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

(a) *Interest income*

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

(b) *Service fee, management fee and other fee income*

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

(c) *Dividend income*

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

2.16 ***Taxes***

(a) *Current income tax*

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

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

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

2.16 ***Taxes (cont'd)***

(b) *Deferred tax*

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

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

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

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

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

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

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

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

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

2.16 *Taxes (cont'd)*

(c) *Sales tax*

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.17 *Share capital and share issuance expenses*

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

3. Significant accounting judgements and estimates

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

3.1 *Judgements made in applying accounting policies*

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

3.2 *Key sources of estimation uncertainty*

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

Impairment of investment in joint ventures

Investment in joint ventures are stated at cost less impairment loss. The Company follows the guidance of FRS 36 *Impairment of Assets*, to determine when its investment in joint ventures are impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the joint venture operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and value in use of investments.

4. Finance income

	2022	2021
	US$	US$
Bank interest income	216,666	144,406
Interest income on loan to related parties	2,099,462	2,057,342
Others	–	1,287
	2,316,128	2,203,035

5. Finance costs

	2022	2021
	US$	US$
Interest expense on loan from related parties	2,490,804	3,515,904
Interest expense on loan from banks*	3,279,093	5,678,641
Guarantee commission**	1,003,275	1,003,275
Realised marked to market gain on derivatives	–	(1,904,648)
Others	1,956	–
	6,775,128	8,293,172

***** The Company has an existing term loan with Sumitomo Mitsui Banking Corporation, Singapore, acting as agent, and a consortium of other banks. For further details, refer to Note 17.

****** Guarantee commission represents fees payable to the holding company for acting as a guarantor for loan availed to the Company from a consortium of banks.

6. Operating expenses

	2022	2021
	US$	US$
Audit fees	232,258	227,573
Professional and legal fees	77,253	79,450
Service fee expenses [(a)]	34,102	37,806
Others	109,266	118,292
	452,879	463,121

6. Operating expenses (cont'd)

(a) Service fee expenses

Pursuant to an Accounting & Corporate Secretarial Services agreement dated January 14, 2019 entered into between the Company and Tata Power International Pte. Ltd ("TPIPL"), a related company, the latter provides the accounting services to the Company and the Company provides corporate secretarial services to TPIPL. The Company pays and receives service fees as per the agreement. For the year ended 31 March 2022, the Company had incurred a service fee expense of US$ 822 (2021: US$9,988) and earned service fee income of US$ 9,106 (2021: US$8,721).

Pursuant to an Accounting & Corporate Secretarial Services agreement dated January 14, 2019 and April 3, 2019 entered into between the Company and Trust Energy Resources Pte Ltd ("TERPL"), a related company, the latter provides accounting services to the Company and the Company provides corporate secretarial services to TERPL. The Company pays and receives service fees as per the agreement. For the year ended 31 March 2022, the Company had incurred a service fee expense of US$ 22,614 (2021: US$27,818) and earned service fee income of US$ 9,106 (2021: US$8,721).

Pursuant to an Accounting & Corporate Secretarial Services agreement dated April 1, 2021 entered into between the Company and Resurgent Power Ventures Pte Ltd ("RPVPL"), a related company, the latter provides corporate secretarial and accounting services to the Company. The Company pays service fees as per the agreement. For the year ended 31 March 2022, the Company had incurred a service fee expense of US$ 10,666 (2021: US$NIL).

7. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2022 and 2021 are as follows:

	2022	**2021**
	US$	US$
Statement of comprehensive income:		
Current income tax	9,669	9,134
Over provision in respect of previous years	(223,646)	(6,163)
Withholding tax	19,152,712	17,278,199
Income tax expense recognised in profit or loss	18,938,735	17,281,170

7. Income tax expense (cont'd)

Relationship between tax expense and profit before income tax

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2022 and 2021 are as follows:

	2022	**2021**
	US$	US$
Statement of comprehensive income:		
Profit before income tax	190,865,338	166,196,572
Tax at the applicable tax rate of 17% (2021: 17%)	32,447,107	28,253,417
Adjustments:		
Non-deductible expenses	835,173	1,112,050
Income not subject to taxation	(33,262,314)	(29,346,568)
Over provision in respect of previous years	(223,646)	(6,163)
Withholding tax	19,152,712	17,278,199
Effect of partial tax exemption and tax relief	(10,297)	(9,765)
Income tax expense recognised in profit or loss	18,938,735	17,281,170

8. Related party transactions

Sales and purchases of goods and services

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

	2022	**2021**
	US$	US$
The Tata Power Co Ltd – Holding company		
Guarantee commission	1,003,275	1,003,275
Khopoli Investments Limited – Related company		
Consultancy fee income	(44,100)	(42,000)
Tata Power International Pte Ltd – Related company		
Interest income	(2,099,462)	(2,057,342)
Service income	(9,106)	(8,721)
Service fees	822	9,988

8. Related party transactions (cont'd)

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

	2022 US$	**2021** US$
Trust Energy Resources Pte Ltd – Related company		
Service fees expense	22,614	27,818
Service income	(9,106)	(8,721)
Bhivpuri Investments Limited – Related company		
Consultancy fee income	(44,100)	(42,000)
PT Dwikarya Prima Abadi - *Joint venture*		
Interest expense	–	717,619
Dividend income	(31,594,005)	(154,633,941)
PT Kaltim Prima Coal - *Joint venture*		
Interest expense	1,369,856	227,491
Dividend income	(164,066,666)	(12,000,000)
PT Nusa Tambang Pratama – *Related company*		
Interest expense	–	1,446,796
PT Arutmin Indonesia – Joint venture		
Interest expense	1,120,948	1,123,998
Tata Sons Private Limited – Related company		
Service income	(9,106)	(8,721)
Candice Investments Pte Ltd – Joint venture		
Dividend income	–	(5,992,931)
Resurgent Power Ventures Pte Ltd – Related company		
Service fees expense	10,666	–

9. Investment in joint ventures

	2022 US$	**2021** US$
Unquoted equity shares, at cost	618,382,035	618,382,035
Less: Accumulated impairment	50,791,694	50,791,694
Carrying amount	567,590,341	567,590,341

9. Investment in joint ventures (cont'd)

Details of the joint ventures are as follows:

Company (Principal place of business)	**Number of shares**		**Proportion of ownership interest**	
	2022	**2021**	**2022**	**2021**
			%	%
PT Kaltim Prima Coal (Indonesia) [(1)]	123,540	123,540	30.0	30.0
PT Indocal Kaltim Resources (Indonesia) [(1)]	82,380	82,380	30.0	30.0
Candice Investments Pte Ltd (Singapore) [(2)]	3	3	30.0	30.0
PT Dwikarya Prima Abadi (Indonesia) [(1)]	4,017	4,017	15.0	15.0
PT Marvel Capital (Indonesia) [(3)]	1,089	1,089	0.99	0.99

(1) Audited by Amir Abadi Jusuf, Aryanti, Mawar & Rekan
(2) Audited by ShineWing LLP
(3) KAP Y Santosa Dan Rekan

The Company has a 30% shareholding stake in PT Kaltim Prima Coal ("KPC") and PT Indocoal Kaltim Resources ("Kaltim"). Both the entities are engaged in the coal mining sector.

The Company has a 30% shareholding stake in Candice Investments Pte Ltd ("Candice") and an indirect shareholding of 30% in each of its subsidiaries, PT Dwikarya Prima Abadi ("DPA") and PT Marvel Capital Indonesia ("MCI"). Pursuant to the right issue, the Company purchased an additional 3,918 shares of PT Dwikarya Prima Abadi in the previous financial year, with no change in shareholding interest. These entities are investment holding companies and Candice Investments Pte Ltd is engaged in trading of coal.

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

10. Other investment

	2022	**2021**
	US$	US$
Unquoted equity shares, at cost	101	101
Less: impairment of investment	(101)	(101)
	–	–

The Board of the Company had approved the acquisition of 1% stake in Far Eastern Natural Resources LLC, an entity which will be involved in thermal coal mining in Russia and 99% of the investment is held by Tata Power International Pte Ltd (TPIPL). The investment was fully impaired as TPIPL is planning to exit from the Russian subsidiary and the fair value has been assessed at Nil.

11. Trade and other receivables

	2022	2021
	US$	US$
Management fee receivable from related company	–	8,620,000
Other receivables	828,604	784,494
Provision for doubtful debts	(784,494)	(784,494)
Total trade and other receivables	44,110	8,620,000

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

The management fee receivable is owing from Tata Power International Pte Limited (TPIPL). Management fee from TPIPL is receivable on a quarterly basis, subject to adjustments as agreed between the parties on a monthly basis. However, no service has been provided from August 2017 to March 2022.

In 2018, the Directors of the Company made a provision to doubtful debts amounting to US$784,494 for the receivable from PT Bumi ("Bumi") of US$13,569, interest receivable from Bumi of US$45,782 and the management fee receivable from PT Nusantara Indah of US$725,143, recognised under other receivables, as there were uncertainty in the recovery of these amounts. There was no further provision made for the year ended 31 March 2021 and 31 March 2022.

Included in other receivables is consultancy fee receivable from Bhivpuri Investments Limited and Khopoli Investments Limited of US$ 44,110 as at 31 March 2022 (2021: Nil). The consultancy fee receivable is not secured, non-interest bearing and repayable on demand.

Receivables that are past due but not impaired

Included in the Company's trade receivable balance are debtors with a carrying amount of US$ Nil (2021: US$8,620,000) which are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The amount due is from a related company and taking into historical credit loss experience and adjusted for forward looking information, the expected credit allowance is Nil (2021: Nil). The Company does not hold any collateral over these balances. The aging profile of these receivables is as follows:

	2022	2021
	US$	US$
Trade receivables past due but not impaired:		
More than 120 days	–	8,620,000

12. Non-current financial assets Other current financial assets

	2022	2021
	US$	US$
Non-current financial assets		
Loans to Tata Power International Pte Ltd (TPIPL)	–	52,208,065
Financial assets at amortised cost	–	52,208,065
Other current financial assets		
Loans to Tata Power International Pte Ltd (TPIPL)	143,307,527	–
Interest receivable on fixed deposits	56,077	19,819
Dividend receivable	–	3,000,000
	143,363,604	3,019,819

In the prior year, an interest-free and unsecured loan amounting to US$22,282,000 was granted by the Company to TPIPL, a related company, pursuant to an agreement dated December 5, 2019 which is to be repaid by December 4, 2022. Subsequently, the loan facility was increased to US$58,782,000 through addendums with same terms.

During the financial year, an interest-free and unsecured loan amounting to US$89,000,000 was granted by the Company to TPIPL, a related company, pursuant to an agreement dated July 15, 2021 which is to be repaid by July 15, 2022.

13. Cash and cash equivalents

	2022	2021
	US$	US$
Cash at bank	80,563	258,831
Fixed deposits	177,269,771	51,555,656
Cash and cash equivalents	177,350,334	51,814,487

The interest rate on fixed deposits ranged from 0.01% to 0.90% for the year under review (2021: 0.05% to 1.85%). The fixed deposits have a maturity of less than 3 months.

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

	2022	2021
	US$	US$
Singapore Dollars	60,503	95,721

14. Assets classified as held for sale

	Country of incorporation	Number and type of shares	% holding	2022 US$	2021 US$
PT Arutmin Indonesia	Indonesia	3,000 ordinary shares	30%	100,057,997	100,057,997
PT Indocoal Kalsel Resources	Indonesia	60,000 ordinary shares	30%	31,100	31,100
				100,089,097	100,089,097

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

Subsequently, the Company together with its related company, Bhivpuri Investments Limited ("Bhivpuri"), entered into an agreement with PT Cakrawala Langit Sejahtera ("CLS"), for a purchase consideration of US$246.64 million with effect from 29 November 2016. Out of the US$246.64 million, US$200.06 million will be allocated to the Company and US$46.58 million to Bhivpuri. The purchase consideration would be received essentially at an agreed rate per ton of coal mined by CLS till 2022. The completion of the sale, including the transfer of shares and receipt of the consideration, was subject to the fulfilling of conditions within the agreement.

One of these conditions was the restructuring of Indocoal Resources Cayman Limited ("Indocoal") in Bhivpuri, where it is expected that post the transfer of all assets and liabilities of PT Kaltim Prima Coal (KPC), Indocoal would represent only assets and liabilities relating to Arutmin. The titles of shares will be transferred upon execution of the above agreement.

However, as a security to unrealised payments, the shares will be pledged back in favour of the Company on and around the date of completion.

As at 31 March 2022, the investment was not disposed. However, the Company had received US$ 99,278,965 (2021: US$92,641,241) as advances from the sale of the Arutmin assets as per the terms of the new agreement. The management is confident of meeting necessary pre-conditions and completing sale in the near future.

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

15. Other payables

	2022	2021
	US$	US$
Accruals	165,815	106,041
Interest on loan from related parties	21,128,779	20,578,236
Other payables to holding company	247,383	247,383
Interest on loan from bank	27,579	7,359
Other payables	202,576	207,348
Withholding tax payable	127,824	566,302
Dividend payable	240,000,000	–
	261,899,956	21,712,669

Terms of loans from related parties are disclosed in Note 18.

Other payables to holding company pertains to guarantee commission payable to the Tata Power Company Limited ("TPCL"), the holding company which is not interest bearing and is repayable in cash. The guarantee commission is paid by the company to TPCL for acting as a guarantor for its term loan from bank and is paid within 90 days of the from the preceding quarter-end.

16. Share capital

	2022	2021
	US$	US$
Issued and fully paid ordinary shares:		
At beginning and end of the year 1,000,000 ordinary shares	1,000,000	1,000,000

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

17. Interest-bearing loans and borrowings

Pursuant to a Facility Agreement dated 26 July 2019, the loan had been refinanced on 31 July 2019 with Sumitomo Mitsui Banking Corporation, Singapore, acting as agent, and a consortium of banks comprising of Sumitomo Mitsui Banking Corporation Singapore Branch, Bank of America, N.A., DBS Bank Ltd and First Abu Dhabi Bank PJSC Singapore Branch.

The refinanced term loan carries interest at the rate of 1-month LIBOR plus margin of 1.25% and is repayable on 31 July 2022.

17. Interest-bearing loans and borrowings (cont'd)

A reconciliation of liabilities arising from the Company's financing activities are as follows:

	1 April 2021	**Cash flows**	**Non-cash changes** **Accretion of interests**	**Others***	**31 March 2022**
	US$	US$	US$	US$	US$
Loans and borrowings					
- current	–	(2,675,565)	3,279,093	194,195,404	194,798,932
- non-current	194,195,404	–	–	(194,195,404)	–

	1 April 2020	**Cash flows**	**Non-cash changes** **Accretion of interests**	**Others***	**31 March 2021**
	US$	US$	US$	US$	US$
Loans and borrowings					
- non-current	193,617,639	(5,100,876)	5,678,641	–	194,195,404

* The 'others' column in case of loans relates to reclassification of non–current loans due to passage of time.

The holding company has agreed to guarantee the above refinanced loan for the sum of US$195,000,000, as reduced on each day on which any principal amount the loan is repaid or prepaid or increased at any time on which any principal amount of the loan so repaid or prepaid is reinstated, in each case, to an amount at all times equal to 105% of the principal amount of the loan then outstanding.

18. Other current financial liabilities

		2022	**2021**
		US$	US$
Current financial liabilities			
Financial liabilities at amortised cost	(a)	87,924,761	62,184,761

(a) Financial liabilities at amortised cost

		2022	**2021**
		US$	US$
Short-term loans and advances			
PT Kaltim Prima Coal	(i)	39,000,000	13,260,000
PT Arutmin Indonesia	(ii)	48,924,761	48,924,761
		87,924,761	62,184,761

18. Other current financial liabilities (cont'd)

(a) Financial liabilities at amortised cost (cont'd)

Notes

(i) PT Kaltim Prima Coal ("KPC")

The Company entered into an inter-company loan facility agreement dated 30 September 2011, with KPC having effective date 15 May 2011. Pursuant to the agreement, KPC has granted a loan facility of up to US$150,000,000 to the Company. During the year ended 31 March 2022, a loan of US$ 173,400,000 (2021: US$17,760,000) was received from KPC.

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

	2022	**2021**
	US$	US$
Opening balance	13,260,000	6,300,000
Loan received	173,400,000	17,760,000
Dividend income (net of withholding tax)*	(147,660,000)	(10,800,000)
Closing balance	39,000,000	13,260,000

* The dividend income from KPC is US$ 164,066,666 (2021: US$12,000,000) which is subject to 10% withholding tax amounting to US$ 16,406,666 (2021: US$1,200,000). Thus, the dividend income (net of withholding tax) is US$ 147,660,000 (2021: US$10,800,000).

(ii) PT Arutmin Indonesia ("Arutmin")

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

19. Dividends

	2022	**2021**
	US$	US$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Interim dividend, net of tax paid out of retained earnings: US$240 million (2021: US$Nil) per ordinary share	240,000,000	–

20. Contingencies and commitment

Commitments

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

21. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets and liabilities measured at fair value***

The management has assessed that the fair values of cash and cash equivalents, 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.

(c) ***Level 2 fair value measurement***

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves

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

22. Financial risk management objectives and policies

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

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

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

(a) ***Credit risk***

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

Excessive risk concentration

The Company has significant concentration of credit risk with two (2021: one) customers which made up of 100% (2021: 91.65%) of its total trade receivables as at 31 March 2022.

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

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

Exposure to credit risk

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

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

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

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall liquidity management, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. Management is of the opinion that liquidity risk is minimal with the undertaking from its related parties not to demand payment for amounts owing to them by the Company unless cash flow of the Company permits.

The following table details the Company's remaining contractual maturity for its 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. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Average effective interest rate	**On demand or within one year**	**Within 2 to 5 years**	**More than 5 years**	**Adjustment**	**Total**
	%	US$	US$	US$	US$	US$
2022						
Financial assets						
Non–interest bearing	–	320,758,048	–	–	–	320,758,048
Financial liabilities						
Non–interest bearing	–	261,899,956	–	–	–	261,899,956
Variable interest rate instruments	1.36%	195,694,400	–	–	(895,468)	194,798,932
	2.14%	39,832,972	–	–	(832,972)	39,000,000
	2.26%	50,030,848	–	–	(1,106,087)	48,924,761
		547,458,176	–	–	(2,834,527)	544,623,649

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

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

	Average effective interest rate	On demand or within one year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	US$	US$	US$	US$	US$
2021						
Financial assets						
Non–interest bearing	–	63,454,306	55,782,000	–	(3,573,935)	115,662,371
Financial liabilities						
Non–interest bearing	–	21,712,669	–	–	–	21,712,669
Variable interest rate instruments	1.49%	–	198,135,168	–	(3,939,764)	194,195,404
	2.16%	13,546,426	–	–	(286,426)	13,260,000
	2.27%	50,033,392	–	–	(1,108,631)	48,924,761
		85,292,487	198,135,168	–	(5,334,821)	278,092,834

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

(c) *Foreign currency risk*

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

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

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

(d) *Interest rate risk*

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

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

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

	Increase/(decrease) profit before income tax	
	2022	**2021**
	US$	US$
Interest expense on loan		
5% increase	(124,540)	(175,795)
5% decrease	124,540	175,795
Bank interest income		
5% increase	10,833	7,220
5% decrease	(10,833)	(7,220)
Interest income on loan		
5% increase	104,973	102,867
5% decrease	(104,973)	(102,867)

23. Capital management

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

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 31 March 2021.

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

	Note	**2022**	**2021**
		US$	US$
Other payables	15	261,899,956	21,712,669
Interest bearing loans and borrowings	17	194,798,932	194,195,404
Financial liabilities net of financial assets	12,18	(55,482,953)	(1,663,123)
Less: Cash and cash equivalents	13	(177,350,334)	(51,814,487)
Net debt		223,865,601	162,430,463
Equity attributable to the owner of the Company		344,525,203	412,598,600
Capital and net debt		568,390,804	575,092,063
Gearing ratio		39.39%	28.24%

24. Distribution to holding company

Distribution to holding company represents the fair value adjustments arising from discounting of interest-free loan due from related company.

25. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 31 May 2022.

Bhira Investments Pte. Ltd.
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	As at March, 2022 USD	Exchange Rate	Amount ₹	As at March, 2021 USD	Exchange Rate	Amount ₹
ASSETS						
Non-current Assets						
Investment in joint Ventures	567,590,341	75.79	43,015,515,101	567,590,341	73.11	41,497,948,806
Other Investments	-	75.79	-	-	73.11	-
Non-current financial asset	-	75.79	-	52,208,065	73.11	3,817,062,152
Total Non-current assets	**567,590,341**	75.79	**43,015,515,101**	**619,798,406**	73.11	**45,315,010,959**
Current Assets						
Cash at bank					73.11	-
Trade and other receivables	44,110	75.79	3,342,929	8,620,000	73.11	630,229,750
Other current financial asstes	143,363,604	75.79	10,864,982,765	3,019,819	73.11	220,786,517
Cash and Cash Equivalents	177,350,334	75.79	13,440,707,883	51,814,487	73.11	3,788,286,681
Total current assets	320,758,048	75.79	24,309,033,577	63,454,306	73.11	4,639,302,948
Assets Classified as held for sale	100,089,097	75.79	7,585,372,323	100,089,097	73.11	7,317,764,104
TOTAL ASSETS	**988,437,486**	**75.79**	**74,909,921,001**	**783,341,809**	**73.11**	**57,272,078,011**
LIABILITIES AND EQUITY						
Current Liabilities						
Other payables	261,899,956	75.79	19,848,402,445	21,712,669	73.11	1,587,467,512
Other current financial liabilities	87,924,761	75.79	6,663,483,522	62,184,761	73.11	4,546,483,339
Advance	99,278,965	75.79	7,523,975,497	92,641,241	73.11	6,773,232,733
Interest-bearing loans and borrowings	194,798,932	75.79	14,763,070,820	-	73.11	-
Income tax payables	9,669	75.79	732,777	9,134	73.11	667,810
Total current liabilities	**643,912,283**	75.79	**48,799,665,061**	**176,547,805**	73.11	**12,907,851,394**
Non-current laibilities						
Interest-bearing loans and borrowings	-	75.79	-	194,195,404	73.11	14,198,111,475
Total Non-current laibilities	**-**		**-**	**194,195,404**		**14,198,111,475**
EQUITY						
Share capital	1,000,000	41.00	41,000,000	1,000,000	41.00	41,000,000
Accumulated profits	343,525,203	69.51	23,876,969,641	411,598,600	70.33	28,949,159,296
Exchange fluctuation reserve			2,192,286,299			1,175,955,846
Total equity	344,525,203	75.79	26,110,255,940	412,598,600	73.11	30,166,115,142
TOTAL LIABILITIES AND EQUITY	**988,437,486**	**75.79**	**74,909,921,001**	**783,341,809**	**73.11**	**57,272,078,011**

Bhira Investments Pte. Ltd.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2022

	Year ended March, 2022	Exchange Rate	Amount	Year ended March, 2021	Exchange Rate	Amount
	USD		₹	USD		₹
Operating income	116,545	74.51	8,683,838	123,059	74.21	9,132,208
Dividend income	195,660,672	74.51	14,578,794,067	172,626,872	74.21	12,810,640,171
Operating Profit	**195,777,217**		**14,587,477,905**	**172,749,931**		**12,819,772,379**
Operating expenses	(452,879)	74.51	(33,744,286)	(463,121)	74.21	(34,368,209)
Finance income	2,316,128	74.51	172,576,087	2,203,035	74.21	163,487,227
Impairment loss on investment	-	74.51	-	(101)	74.21	(7,495)
Finance costs	(6,775,128)	74.51	(504,818,852)	(8,293,172)	74.21	(615,436,294)
Profit before income tax	**190,865,338**	74.51	**14,221,490,854**	**166,196,572**	74.21	**12,333,447,608**
Income tax expense	(18,938,735)	74.51	(1,411,136,508)	(17,281,170)	74.21	(1,282,435,626)
Total profit for the year representing total comprehensive income for the year	**171,926,603**	**74.51**	**12,810,354,346**	**148,915,402**	**74.21**	**11,051,011,982**

Bhira Investments Pte. Ltd.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022

		Year ended March, 2022 USD	Exchange Rate	Amount ₹	Year ended March, 2021 USD	Exchange Rate	Amount ₹
Operating activities							
Profit before income tax		190,865,338	74.51	14,221,490,854	166,196,572	74.21	12,333,447,608
Adjustment for :							
Bank Interest income		(216,666)	74.51	(16,143,914)	(144,406)	74.21	(10,716,369)
Interest income on loan to related parties		(2,099,462)	74.51	(156,432,173)	(2,057,342)	74.21	(152,675,350)
Interest expense on loan from related parties		2,490,804	74.51	185,591,301	3,515,904	74.21	260,915,236
Interest expense on loan from Bank		3,279,093	74.51	244,327,187	5,678,641	74.21	421,411,949
Market to Market loss on derivatives		-	74.51	-	(1,904,648)	74.21	(141,343,928)
Impairment loss		-	74.51	-	101	74.21	7,495
Dividend Income		(195,660,672)	74.51	(14,578,794,068)	(172,626,872)	74.21	(12,810,640,171)
Operating cash flows before changes in working capital		(1,341,565)	74.51	(99,960,813)	(1,342,050)	74.21	(99,593,530)
Decrease in trade and other receivables		8,539,632	74.51	636,293,104	113,834	74.21	8,447,621
Decrease in other payables		(363,256)	74.51	(27,066,423)	664	74.21	49,275
Cash generated from operations		6,834,811	74.51	509,265,868	(1,227,552)	74.21	(91,096,634)
Income taxes paid		(18,938,200)	74.51	(1,411,096,645)	(16,997,179)	74.21	(1,261,360,654)
Net Cash from Operating Activities	**A**	(12,103,389)	74.51	(901,830,777)	(18,224,731)	74.21	(1,352,457,288)
Investing Activities							
Bank Interest Received		216,666	74.51	16,143,914	152,694	74.21	11,331,422
Interest Received on loan to related parties		-	74.51	-	110,217	74.21	8,179,204
Loan to Related party		(89,000,000)	74.51	(6,631,443,400)	(30,000,000)	74.21	(2,226,300,000)
Loan repaid by Related party		-	74.51	-	3,000,000	74.21	222,630,000
Advance from sale of investment in joint venture		6,637,724	74.51	494,580,798	4,491,775	74.21	333,334,623
Investment in Joint Venture		-	74.51	-	(134,334)	74.21	(9,968,926)
Dividend received		198,660,672	74.51	14,802,325,868	169,626,872	74.21	12,588,010,171
Net cash used in investing activities		116,515,062		8,681,607,180	147,247,224		10,927,216,494
Financing activities							
Interest paid on loan from Bank		(2,675,565)	74.51	(199,357,953)	(5,105,647)	74.21	(378,890,064)
Interest paid on loan from Related party		(1,940,261)	74.51	(144,570,011)	-6,907,800	74.21	(512,627,838)
Loan received from Related party		173,400,000	74.51	12,920,138,040	34,731,807	74.21	2,577,447,397
Loan repaid to related party		(147,660,000)	74.51	(11,002,235,196)	(152,499,474)	74.21	(11,316,985,965)
Net cash used in financing activities		21,124,174	74.51	1,573,974,880	(129,781,114)	74.21	(9,631,056,470)
Net increase / (decrease) in cash at bank		**125,535,847**	**74.51**	**9,353,751,283**	**(758,621)**	**74.21**	**(56,297,264)**
Cash at bank at the beginning of year		**51,814,487**	**73.11**	**3,788,286,681**	**52,573,108**	**75.54**	**3,971,372,578**
Effect of exchange fluctuation on cash at bank				298,669,919			(126,788,633)
Cash at bank at the end of year		**177,350,334**	**75.79**	**13,440,707,883**	**51,814,487**	**73.11**	**3,788,286,681**

Bhira Investments Pte. Ltd.
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2022

	Share Capital	Exchange Rate	Amount	Accumulated Profits / (Losses)	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹
At 31 March 2020	**1,000,000**	**41.00**	**41,000,000**	**265,369,875**	**68.20**	**18,097,525,614**	**266,369,875**	**68.10**	**18,138,525,614**
Total profit for the year representing total comprehensive income for the year				148,915,402	74.21	11,051,011,982	148,915,402	74.21	11,051,011,982
Dividend Paid				(2,686,677)	74.21	(199,378,300)	(2,686,677)	74.21	(199,378,300)
At 31 March 2021	**1,000,000**	**41.00**	**41,000,000**	**411,598,600**	**70.33**	**28,949,159,296**	**412,598,600**	**70.26**	**28,990,159,296**
Total profit for the year representing total comprehensive income for the year				171,926,603	74.51	12,810,354,346	171,926,603	74.51	12,810,354,346
Dividend Paid				(240,000,000)	74.51	(17,882,544,001)	(240,000,000)	74.51	(17,882,544,001)
At 31 March 2022	**1,000,000**	**41.00**	**41,000,000**	**343,525,203**	**69.51**	**23,876,969,641**	**344,525,203**	**69.42**	**23,917,969,641**