

Company Registration No. 201309096C

Tata Power International Pte. Limited

Annual Financial Statements
31 March 2022



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Tata Power International Pte. Limited

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of Tata Power International Pte. Limited (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, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the ultimate holding company has agreed to provide continuing financial support to the Company to enable it to meet its liabilities as and when they fall due.

Directors

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

Kottamasu Venkateswara Rao
DSouza Randolph Joseph Francis
Ramesh Narayanswamy Subramanyam

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

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.

Tata Power International Pte. Limited

Directors' statement

Auditor

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

On behalf of the board of directors



Kottamasu Venkateswara Rao
Director



DSouza Randolph Joseph Francis
Director

Singapore
31 May 2022

Tata Power International Pte. Limited

Independent auditor's report For the financial year ended 31 March 2022

Independent auditor's report to the member of Tata Power International Pte. Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tata Power International Pte. Limited (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.

Tata Power International Pte. Limited

Independent auditor's report For the financial year ended 31 March 2022

Independent auditor's report to the member of Tata Power International Pte. Limited

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.

Tata Power International Pte. Limited

**Independent auditor's report
For the financial year ended 31 March 2022**

Independent auditor's report to the member of Tata Power International Pte. Limited

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

Tata Power International Pte. Limited

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

	Note	2022 US\$	2021 US\$
Service fees income from consultancy service rendered		11,137,846	11,292,057
Service fee expense		(5,299,374)	(6,423,316)
Other income	4	49,026,797	2,705,042
Foreign exchange gain		4,204	74,914
Staff and related costs		(178,675)	(356,837)
Operating expenses	5	(1,292,690)	(10,842,457)
Impairment loss on investments	7	(32,620,357)	(16,000,171)
Fair value gain on investment securities	12	–	138,159
Depreciation expenses	10	(41,255)	(41,539)
Finance costs	6	(4,866,914)	(10,099,544)
Profit/(loss) before income tax	7	15,869,582	(29,553,692)
Income tax expense	8	(4,625,988)	(445,970)
Profit/(loss) for the year, representing total comprehensive income for the year attributable to the owner of the Company		<u>11,243,594</u>	<u>(29,999,662)</u>

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

Tata Power International Pte. Limited

**Balance sheet
As at 31 March 2022**

	Note	2022 US\$	2021 US\$
Assets			
Non-current assets			
Property, plant and equipment	10	27,155	68,410
Investment in subsidiaries	11	287,906,124	–
Investment in joint ventures	12	98,675,644	148,118,885
Investment securities	13	–	172,456
Total non-current assets		386,608,923	148,359,751
Current assets			
Trade receivables	14	8,901,806	1,930,615
Other receivables and prepayments	15	5,077,798	3,706,030
Cash and cash equivalents	18	27,080,565	5,884,797
Other financial asset at fair value through profit or loss	16	–	–
		41,060,169	11,521,442
Asset held for sale	17	16,583,399	–
Total current assets		57,643,568	11,521,442
Total assets		444,252,491	159,881,193
Equity and liabilities			
Current liabilities			
Trade payables	20	5,366,274	12,691,829
Other payables	21	2,391,996	1,869,477
Loan and borrowings	19	331,475,549	39,841
Income tax payable		733,164	247,288
Total current liabilities		339,966,983	14,848,435
Net current liabilities		(282,323,415)	(3,326,993)
Non-current liabilities			
Loan and borrowings	19	99,559,948	151,550,792
Total liabilities		439,526,931	166,399,227
Net assets/(liabilities)		4,725,560	(6,518,034)
Equity attributable to the owner of the Company			
Share capital	22	85,940,000	85,940,000
Capital reserve	23	23,502,837	23,502,837
Accumulated losses		(104,717,277)	(115,960,871)
Total equity		4,725,560	(6,518,034)
Total equity and liabilities		444,252,491	159,881,193

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

Tata Power International Pte. Limited

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

	Share capital (Note 22)	Capital reserve (Note 23)	Accumulated losses	Total equity
	US\$	US\$	US\$	US\$
Balance at 1 April 2020	85,940,000	20,816,160	(85,961,209)	20,794,951
Loss for the year, representing total comprehensive income for the year	–	–	(29,999,662)	(29,999,662)
Fair value adjustment arising from interest free loan	–	2,686,677	–	2,686,677
Balance at 31 March 2021 and 1 April 2021	85,940,000	23,502,837	(115,960,871)	(6,518,034)
Profit for the year, representing total comprehensive income for the year	–	–	11,243,594	11,243,594
Balance at 31 March 2022	85,940,000	23,502,837	(104,717,277)	4,725,560

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

Tata Power International Pte. Limited

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

	Note	2022 US\$	2021 US\$
Operating activities			
Profit/(loss) before income tax		15,869,582	(29,553,692)
Adjustments for:			
Depreciation of plant and equipment	10	41,255	41,539
Interest expense	6	4,866,914	10,099,544
Interest income	4	(998,657)	(95,803)
(Reversal of)/allowance for expected credit loss	4/5	(7,494,812)	9,398,070
Dividend income	4	(37,180,000)	(2,600,000)
Impairment loss on investments	7	32,620,357	16,000,171
Fair value gain on investment securities		–	(138,159)
Loss on sale of investment securities	5	52,704	86,383
Loss on sale of investment in joint venture	5	54,694	–
Market to market gain on derivatives	4	(3,351,371)	–
Total adjustments		(11,388,916)	32,792,745
Operating cash flows before changes in working capital		4,480,666	3,238,053
Changes in working capital:			
(Increase)/decrease in trade receivables		(6,410,523)	2,674,942
(Increase)/decrease in other receivables and prepayments		(427,709)	165,188
(Decrease)/increase in trade payables		(7,325,555)	3,298,525
Increase/(decrease) in other payables		2,424,293	(221,272)
Total changes in working capital		(11,739,494)	5,917,383
Cash flows (used in)/generated from operations		(7,258,828)	9,155,436
Interest received		70,074	9,420
Interest paid		(2,501,167)	(751,064)
Income taxes paid		(4,140,112)	(414,395)
Net cash flows (used in)/generated from operating activities		(13,830,033)	7,999,397
Investing activities			
Investment in subsidiary		(285,640,000)	–
Investment in joint ventures		–	(8,535,700)
Proceeds from sale of investment in joint ventures		7,956,706	–
Proceeds from sale of investment securities		119,752	–
Repayment of loan from joint ventures		232,000	–
Dividends received		37,180,000	2,600,000
Net cash flows used in investing activities		(240,151,542)	(5,935,700)
Financing activities			
Proceeds from loan from related companies		275,219,843	–
Proceeds from borrowings		–	129,250,000
Repayment of borrowings		–	(126,450,000)
Payment of principal portion of lease liabilities		(42,500)	(39,841)
Net cash flows generated from financing activities		275,177,343	2,760,159
Net increase in cash and cash equivalents		21,195,768	4,823,856
Cash and cash equivalents at beginning of the year		5,884,797	1,060,941
Cash and cash equivalents at end of the year	18	27,080,565	5,884,797

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

Tata Power International Pte. Limited

Notes to the financial statements For the financial year ended 31 March 2022

1. Corporation information

Tata Power International Pte. Limited (the "Company") is a private limited company incorporated and domiciled in Singapore. The immediate and ultimate holding company is The Tata Power Company Ltd, incorporated in India.

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

The principal activities of the Company are those of investment holding and rendering of business and management consultancy services.

The principal activities of the subsidiaries and joint ventures are disclosed in Note 11 and Note 12 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 Company's functional currency.

Going concern uncertainty

As at the end of the financial year, the Company's current liabilities exceeded its current assets by US\$282,323,415 (2021: US\$3,326,993). The financial statements have been prepared on a going concern basis as the ultimate holding company has agreed to provide continuing financial support to the Company to enable it to meet its liabilities as and when they fall due.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except 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 standards did not have any effect on the financial performance or position of the Company.

Tata Power International Pte. Limited

Notes to the financial statements For the financial year ended 31 March 2022

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 <i>Property, Plant and Equipment</i> : Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : 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 when they become applicable.

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 subsidiary and 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 Property, plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Tools and equipment	3 years
Leasehold building	Over lease period of 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

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

2.7 *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. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss.

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

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's financial statements, investment in subsidiary is accounted for at cost less impairment losses.

2.9 *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)

2.10 *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.

(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.

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

Assets that do not meet the criteria for amortised cost or 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 and is not part of a hedging relationship is recognised in the period in which it arises.

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

2.10 Financial instruments (cont'd)

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

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, cancelled or transferred. 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 subsequently 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.

(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.

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

2.10 Financial instruments (cont'd)

(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.

2.11 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.

2.12 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.

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

2.14 Financial guarantee

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

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

2.15 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.

2.16 Employee benefits

(a) Defined contribution plan

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

(b) Employee leave entitlement

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

2.17 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

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

2.17 Leases (cont'd)

As a lessee (cont'd)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Company's right-of-use assets are presented within plant and equipment (Note 10).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease payments (e.g. changes in future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company lease liabilities are included in loan and borrowings (Note 19).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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

2.18 Revenue

Revenue is recognised based on the consideration to which company expects to be entitled in exchange for transferring promised goods and services to customers, 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) Service fees income: Service fees income from consultancy agreements to provide consultancy services is recognised in accordance with the substance of the relevant agreements. Service fee income determined on a time basis are recognised on a straight-line basis over the period of the agreement, as the service is performed and rendered.
- (b) Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- (c) Dividend income: Dividend income from investments is recognised when the shareholders' rights to receive payment has been established.

2.19 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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

2.19 Taxes (cont'd)

(b) Deferred tax (cont'd)

- 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.

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

2.20 Share capital and share issuance expenses

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

2.21 Contingencies

A contingent liability is:

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

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

Contingent liabilities and assets are not recognised on the balance sheet of the Company. Contingent liabilities are disclosed in the financial statements except when outflow is remote.

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 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.

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

3.2 Key sources of estimation uncertainty (cont'd)

(a) Impairment of investment in subsidiary and joint ventures

Investment in subsidiary and 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 subsidiary and joint ventures are impaired or there is any reversal of past impairment. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the subsidiary and 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. The carrying amount of the investment in subsidiary and joint ventures of the Company as at 31 March 2022 were US\$287,906,124 (2021: US\$Nil) and US\$115,259,043 (2021: US\$148,118,885) respectively.

(b) Provision for expected credit losses of receivables

The policy for allowance for ECL of the Company is based on the evaluation of collectability of debts, ageing analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of each customer, extent of credit insurance coverage and on-going dealings/ negotiations with these parties. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, allowance for ECL may be required. The carrying amount of receivables is disclosed in Note 14 and 15 to the financial statements. As at 31 March 2022, the Company has made an allowance for expected credit losses of US\$2,912,062 (2021: US\$3,472,730) on trade receivables (Note 14) and US\$ Nil (2021: US\$6,801,975) on other receivables (Note 15). The Company does not hold any collateral over these balances.

The ECL policy is not applicable in the case where credit risk is Nil for example, where the Company itself or any of its group companies have similar or higher amount payable to parties, which can be offset or used to recover its dues in case needed.

4. Other income

	2022	2021
	US\$	US\$
Interest income	998,657	95,803
Dividend income	37,180,000	2,600,000
Reversal of expected credit losses for trade receivables and loans to related companies	7,494,812	–
Marked to market gain on derivatives	3,351,371	–
Others	1,957	9,239
	49,026,797	2,705,042

Tata Power International Pte. Limited

**Notes to the financial statements
For the financial year ended 31 March 2022**

5. Operating expenses

	2022	2021
	US\$	US\$
Professional fees	253,002	235,992
Administrative expenses	113,290	153,014
Impairment of other financial assets	52,704	86,383
Loss on sale of investment in joint venture	54,694	–
Expected credit losses on receivables	–	9,398,070
Others	819,000	968,998
	<u>1,292,690</u>	<u>10,842,457</u>

6. Finance costs

	2022	2021
	US\$	US\$
Interest on borrowings	4,266,112	9,887,738
Lease liabilities (Note 19)	1,409	2,611
Financial guarantee expenses	594,194	204,189
Other finance charges	5,199	5,006
	<u>4,866,914</u>	<u>10,099,544</u>

Financial guarantee expenses

The Company has short term loan facility with Standard Chartered Bank of up to US\$10 million (2021: US\$10 million) and long-term loan facility with Sumitomo Mitsui Banking Corporation of US\$100 million (2021: US\$100 million) for its working capital requirements which is granted on an uncommitted basis. Financial guarantee expenses pertain to corporate guarantee issued by the holding company for an amount of US\$116 million (2021: US\$116 million) to secure the loan, of which the utilised amount is US\$100 million as at 31 March 2022 (2021: US\$108 million).

7. Profit/(loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

	2022	2021
	US\$	US\$
Staff defined contribution plan	4,609	4,449
Other staff cost	174,065	352,388
Foreign exchange gain	(4,204)	(74,914)
Impairment loss on investment in joint venture (Note 12)	24,848,442	16,000,000
Impairment loss on investment in subsidiary (Note 11)	7,771,915	171
	<u>24,864,827</u>	<u>16,381,972</u>

Tata Power International Pte. Limited**Notes to the financial statements
For the financial year ended 31 March 2022****8. Income tax expense*****Major components of income tax expense***

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

	2022	2021
	US\$	US\$
<i>Statement of comprehensive income:</i>		
<u>Current income tax</u>		
- Current income taxation	733,164	380,000
- Under/(over) provision in respect of previous year	79,876	(288,953)
Withholding tax	3,812,948	354,923
Income tax expense recognised in profit or loss	<u>4,625,988</u>	<u>445,970</u>

Relationship between tax expense and profit/(loss) before income tax

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

	2022	2021
	US\$	US\$
Profit/(loss) before income tax	<u>15,869,582</u>	<u>(29,553,692)</u>
Tax at the applicable tax rate of 17% (2021: 17%)	2,697,829	(5,024,128)
Adjustments:		
Non-deductible expenses	5,205,002	6,275,716
Income not subject to taxation	(7,156,749)	(866,776)
Effect of partial tax exemption and tax relief	(12,918)	(12,679)
Under/(over) provision in the prior year	79,876	(288,953)
Withholding tax	3,812,948	354,923
Others	–	7,867
Income tax expense recognised in profit or loss	<u>4,625,988</u>	<u>445,970</u>

As at 31 March 2022, the Company has foreign sourced income available for remittance of US\$2,710 (2021: US\$582,334) that has not been remitted to Singapore. Accordingly, this income has not been subject to income tax. As the Company does not have any intention to remit this income to Singapore in the foreseeable future, no deferred tax liability has been recognised.

Tata Power International Pte. Limited

**Notes to the financial statements
For the financial year ended 31 March 2022**

9. Related party transactions

Sale and purchase 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\$
<i>Holding company</i>		
– Service fees expenses	(3,432,724)	(5,023,842)
– Financial guarantee expense	(591,600)	(175,658)
– Other expenses	(126,623)	(113,468)
<i>Related companies</i>		
– Interest expense	(2,099,462)	(9,425,839)
– Management fees expense	(133,343)	(153,858)
– Service fees expense	(45,211)	(54,765)
– Service fees income	77,190	81,167
<i>Joint ventures</i>		
– Service fees income	6,856,272	7,295,428
– Interest income	52,704	86,383
– Dividend income	37,180,000	2,600,000
Associates of ultimate holding company		
– Service fees income	3,254,384	3,215,461

10. Plant and equipment

	Tools and equipment	Leasehold Buildings	Total
	US\$	US\$	US\$
Cost			
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	22,863	121,972	144,835
Accumulated depreciation			
At 1 April 2020	21,334	13,552	34,886
Depreciation	905	40,634	41,539
At 31 March 2021 and 1 April 2021	22,239	54,186	76,425
Depreciation	540	40,715	41,255
At 31 March 2022	22,779	94,901	117,680
Net carrying amount			
At 31 March 2021	624	67,786	68,410
At 31 March 2022	84	27,071	27,155

Tata Power International Pte. Limited

**Notes to the financial statements
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11. Investment in subsidiaries

	2022	2021
	US\$	US\$
Equity shares, at cost	295,678,039	–
Less: Impairment loss on investment in subsidiary	(7,771,915)	–
	287,906,124	–

Name	Country of incorporation and principal place of business	Principal activities	Effective equity held by the Company		Unquoted equity shares, at cost	
			2022	2021	2022	2021
			%	%	US\$'000	US\$'000
Trust Energy Resources Pte Ltd (“TERPL”) ^(a)	Singapore	Providing shipping, coal handling, and cargo services	100	–	285,640	–
Far Eastern Natural Resources LLC (“FENR”) ^(b)	Russia	Coal mining exploration	100	–	10,038	–

^(a) Audited by Ernst & Young LLP, Singapore.

^(b) Audited by other Certified Public Accounting (‘CPA’) firm.

Trust Energy Resources Pte Ltd (“TERPL”)

In July 2021, the Company acquired interest in 129,153,344 common shares from its holding company for a consideration of US\$285,640,000 which represented 100% of the paid-up equity shares of Trust Energy Resources Pte Ltd., a subsidiary established in Singapore. The Company holds 100% of the equity shares in Trust Energy Resources Pte Ltd. and has full control over the financial and operating policies of the subsidiary.

Far Eastern Natural Resources LLC (“FENR”)

On 10 February 2022, the Company acquired interest in 750,870,289.22 common shares amounting to US\$10,038,039 which represented 100% of the paid-up equity shares of Far Eastern Natural Resources LLC., a subsidiary established in Russia. The equity investment was converted from an outstanding loan amount of US\$10,038,039 (Note 15). The Company holds 100% of the equity shares in Far Eastern Natural Resources LLC. and has full control over the financial and operating policies of the subsidiary.

In the prior year, the Company had decided not to pursue a Russian Coal mining project held through Far Eastern Natural Resources LLC. Hence, the Company recognised an impairment loss on investment of US\$7,771,915 as at the end of the financial year. The carrying amount after impairment represents cash available with Far Eastern Natural Resources LLC to repay the equity investment.

Tata Power International Pte. Limited

**Notes to the financial statements
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12. Investment in joint ventures

	2022	2021
	US\$	US\$
Equity shares, at cost	225,397,295	225,397,295
Less: Redemption of preference shares	(8,011,400)	–
	<u>217,385,895</u>	<u>225,397,295</u>
Perpetual securities	36,500,000	36,500,000
Deemed equity contribution	12,999,529	12,999,529
	<u>266,885,424</u>	<u>274,896,824</u>
Less: Impairment of investment	(151,626,381)	(126,777,939)
Less: Reclassified as assets held for sale (Note 17)	(16,583,399)	–
	<u>98,675,644</u>	<u>148,118,885</u>

Details of the joint ventures are as follows:

Company	Principal place of business	Principal activities	Cost of investment (excluding deemed equity contribution)		Proportion of ownership interest	
			2022	2021	2022	2021
			US\$	US\$	%	%
Adjaristsqali Netherlands B.V ("ABV") ⁽¹⁾	Georgia (Country of incorporation – Netherland)	Development of hydro power project	108,209,628	108,209,628	50	50
Koromkheti B.V ("KBV") ⁽¹⁾	Georgia (Country of incorporation – Netherland)	Development of hydro power project	623	623	40	40
PT Baramulti Suksessarana Tbk ("BST") ⁽²⁾	Indonesia	Coal mining	99,058,015	99,058,015	26	26
Resurgent Power Ventures Pte. Ltd. ("RPV") ⁽³⁾	Singapore	Purpose of investing in thermal and hydro power generation and power transmission assets	46,617,629	54,629,029	26	26

⁽¹⁾ Audited by JPA Van Noort Gassler & Co

⁽²⁾ Audited by KAP ARIA KANAKA & REKAN

⁽³⁾ Audited by Ernst & Young LLP Singapore

12. Investment in joint ventures (cont'd)

Adjaristsqali Netherlands B.V ("ABV")

The Company has interest in 20,573 (2021: 20,573) common shares representing 50% (2021: 50%) of the paid-up equity shares of Adjaristsqali Netherlands B.V., a joint venture (operating 187 MW hydro power plant in Georgia), established in Netherlands. Investment amounts to US\$109,098,965 (2021: US\$109,098,965) comprising investment cost of US\$71,709,628 (2021: US\$71,709,628), perpetual securities of US\$36,500,000 (2021: US\$36,500,000) and deemed capital contribution of US\$889,337 (2021: US\$889,337) arising from fair value adjustment on conversion of loan into equity shares. The Company holds 50% of the equity shares in Adjaristsqali Netherlands B.V. and has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint ventures.

ABV was incorporated to setup a hydro power plant in Georgia with an intent to sell power in the open market in Turkey. The continuous fall in power price in the open market in Turkey coupled with continuous devaluation of Turkish Lira had indicated a potential impairment of the assets of the Georgia CGU.

In the prior years, an impairment of US\$66,777,787 has been made to reduce the cost of investment in ABV to its recoverable amount. In the current financial year, the plant has performed largely as per the plan finalised in the previous year. The Company has performed an impairment assessment using the value in use method.

Key assumptions used for the value in use calculation included Generation profile, power prices as per power purchase agreement with Government of Georgia and power prices in the open market in Turkey, demand of power in Turkey, discount rates and exchange rates. Discount rate represented the market assessment of the risk specific to CGU taking into consideration the time value of money. The discount rate used in the calculation of value in use was 5.94% in 2022 (2021: 6.33%). Based on the assessment as at the end of the financial year, an impairment of US\$24,848,442 was recognised in the profit or loss.

Koromkheti B.V

The Company has interest in 500 (2021: 500) common shares representing 40% of the paid up equity shares of Koromkheti B.V., a joint venture established in Netherlands. Investment amounts to US\$623 (2021: US\$623). Although the Company holds less than 50% of the equity shares in Koromkheti B.V., the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers. In the previous years, the investment in joint venture has been fully impaired. There is no change in impairment assessment in the current year.

In prior years, the Company had entered into a shareholder agreement with joint venturers to the joint venture, which allows one of the joint venturers ("Put Holder") to exercise a put option to sell its shares in the joint venture to the remaining two joint venturers, upon occurrence of triggering events as defined in the shareholder agreement. The joint venturer which causes the triggering event is obligated to purchase, while the other joint venturer has the right to purchase, from the Put Holder such number of shares computed based on proportion of the remaining two joint venturers' shareholdings in the joint venture. The purchase price will be based on the fair value of the shares when the Put Holder exercises the put option. Accordingly, the fair value of the put option is Nil. As of 31 March 2022, there is no such triggering event and the put option is not exercised.

12. Investment in joint ventures (cont'd)

PT Baramulti Suksessarana Tbk

The Company has interests in 680,290,000 (2021: 680,290,000) common shares amounting to US\$99,058,015 (2021: US\$99,058,015) which represents 26% interests in PT Baramulti Suksessarana Tbk, a listed entity in Indonesia, which was purchased for a consideration of US\$99,058,015 from its fellow subsidiary in March 2016. Although the Company holds less than 50% of the equity shares in PT Baramulti Suksessarana Tbk, the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venturers.

The Company has performed an impairment assessment using the value in use method. Key assumption used in the value in use valuation are:

- Mining are considered up to 2027, as per the License
- Coal prices are considered as \$73.9 for financial year 20–21 as per the Energy and Metal Consensus Report for March 2021.
- Net Present Value includes the Marketing commission.
- Discount rate of 8%.

Based on the assessment, there is no impairment recognised in the current year (2021: US\$16,000,000).

Resurgent Power Ventures Pte. Ltd

The Company has 466,205 (2021: 546,319) common shares representing 26% of the paid up equity shares of Resurgent Power Ventures Pte. Ltd., a joint venture established in Singapore. During the year, preference shares of 80,114 amounting to US\$8,011,400 was redeemed, resulting in a decrease in investment amount to US\$46,617,629 (2021: US\$54,629,029) with no change in interest held by the Company. Although the Company holds less than 50% of the equity shares in Resurgent Power Ventures Pte. Ltd., the Company has joint control over the financial and operating policies of the entity by virtue of the provisions of the joint venture agreement entered into with the counterparty joint venture.

Resurgent Power Ventures Pte. Ltd, holds investment in Prayagraj Power Generation Company Limited which was acquired during the year ended 31 March 2020 and does not have any other material operations. Since its acquisition Prayagraj Power Generation Company Limited is performing as per the assumptions made for fair value determination and there are no adverse events. Considering the performance of the investment since acquisition, there are no impairment indicators for investment in Resurgent Power Ventures Pte. Ltd.

13. Investment securities

	2022	2021
	US\$	US\$
At fair value through profit or loss:		
– Quoted equity securities	–	172,456
	–	172,456

During the year, the Company has entered into two separate Standard Transfer Forms For Non–Market Transactions with two buyers for the sale of the Company’s 100% equity stake in ReNu Energy Limited comprising 2,940,000 ordinary shares (1,470,000 shares for each buyer) at a total consideration of AUD152,880 (AUD76,440 per transaction). Total consideration received for the sales transactions amount to US\$117,762 and a loss on sale of investment of US\$54,694 was recognised in profit or loss during the year.

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14. Trade receivables

	2022	2021
	US\$	US\$
Third parties	3,919,942	4,584,462
Related parties	7,893,926	818,883
Less: allowances for expected credit losses	(2,912,062)	(3,472,730)
Total trade receivables	<u>8,901,806</u>	<u>1,930,615</u>

Movement in the allowance for expected credit losses:

	2022	2021
	US\$	US\$
Balance at beginning of the year	3,472,730	876,635
(Writeback)/allowance for expected credit losses	(560,668)	2,596,095
Balance at end of the year	<u>2,912,062</u>	<u>3,472,730</u>

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. Trade receivables are all denominated in USD as at the end of the financial years.

Receivables that are past due but not impaired

Included in the Company's trade receivables balance are debtors with a carrying amount of US\$2,574,622 (2021: US\$1,362,409) which are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances. The Company provides services only to limited customers out of which most are related companies and taking into account historical credit loss experience and adjusted for forward looking information. The aging profile of these receivables is as follows:

	2022	2021
	US\$	US\$
<i>Trade receivables past due but not impaired:</i>		
1 to 30 days	1,795,488	45,000
31 to 90 days	303,654	340,679
More than 90 days	475,480	976,730
	<u>2,574,622</u>	<u>1,362,409</u>

Tata Power International Pte. Limited

**Notes to the financial statements
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14. Trade receivables (cont'd)

Receivables that are past due and impaired

Included in the Company's trade receivables balance are debtors with a carrying amount of US\$2,912,062 (2021: US\$3,472,730) which are past due at the end of the reporting period for which the Company has recognised an allowance for ECL. The Company does not hold any collateral over these balances. The aging profile of these receivables is as follows:

	2022	2021
	US\$	US\$
<i>Trade receivables past due and impaired:</i>		
More than 180 days less than 360 days	15,000	51,900
More than 360 days	2,897,062	3,420,830
	<u>2,912,062</u>	<u>3,472,730</u>

15. Other receivables and prepayments

	2022	2021
	US\$	US\$
<i>Non-current</i>		
Amount due from subsidiary	–	99,829
Less: allowance for expected credit loss	–	(99,829)
	<u>–</u>	<u>–</u>
<i>Current</i>		
Prepayments	10,944	9,767
GST receivables, net	2,516	6,282
Advance to holding company	999,083	749,313
Advance to third party	711,147	533,358
Derivative financial assets	3,351,371	–
Loan to Far Eastern Natural Resources LLC	–	9,109,456
Less: allowance for expected credit loss on loan	–	(6,702,146)
Others	2,737	–
	<u>5,077,798</u>	<u>3,706,030</u>
Total other receivables and prepayments	5,077,798	3,706,030
Add:		
Trade receivables (Note 14)	8,901,806	1,930,615
Cash and cash equivalents (Note 18)	27,080,565	5,884,797
Less:		
Prepayments	(10,944)	(9,767)
GST receivables, net	(2,516)	(6,282)
Advances to holding company and third party	(1,710,230)	(1,282,671)
	<u>39,333,742</u>	<u>10,222,722</u>
Total financial assets carried at amortised cost	39,333,742	10,222,722

15. Other receivables and prepayments (cont'd)

Other receivables denominated in foreign currency as at 31 March is as follows:

	2022	2021
	US\$	US\$
Singapore Dollars	13,460	16,049

Loan to Far Eastern Natural Resources LLC / amount due from subsidiary

The Company had a loan agreement with a subsidiary, Far Eastern Natural Resources LLC, to provide a loan facility of US\$7,900,000 (2021: US\$7,900,000). The loan was unsecured, interest-bearing at 6.3% per annum and was repayable on demand.

As at 10 February 2022, the Company converted the loan in its entirety and the amount due from the subsidiary to equity investment (Note 11). As at the date of conversion, the loan amounted to US\$10,038,039 which comprised the outstanding loan principal of US\$7,899,980 and accrued interest of US\$2,138,059. Expected credit losses of US\$6,702,146 recognised in the prior year was reversed and recognised in profit or loss.

Derivative financial assets

During the year, the Company entered into an interest rate swap agreement on 08 July 2021 for the long-term loan US\$100 million to mitigate the risk of adverse fluctuation in LIBOR. Under the terms of the agreement, the Company fixes its maximum interest rate at 0.35% per annum. The management has obtained the valuation of this derivative instrument from the SMBC bank and consequently accounted for a gain on derivative assets of US\$3,351,371 in the profit and loss.

16. Other financial asset at fair value through profit or loss

	2022	2021
	US\$	US\$
Other financial asset at fair value through profit or loss	–	–

Loan to Koromkheti B.V

The Company had entered into an agreement with its joint venture to provide a loan facility of US\$8,600,000 (2021: US\$8,600,000). As at 31 March 2022, the loan amounting to US\$4,633,956 (2021: US\$4,781,919) comprises outstanding loan principal of US\$4,028,000 (2021: US\$4,260,000) and accrued interest of US\$605,956 (2021: US\$521,919). The loan is unsecured, interest-bearing and is repayable on demand. Interest is computed for the actual number of days at a fixed rate of 2% per annum (basis 360 days).

Under the loan agreement, the Company has the option to convert the outstanding amount of loan and accrued interest into equity shares of the joint venture based on a fixed price per share. No part of the loan has been converted into shares as of 31 March 2022 and 2021.

The loan to a joint venture is measured at fair value through profit or loss in accordance with FRS 109 *Financial Instruments: Recognition and Measurement* as it is a hybrid instrument which gives the Company a right to convert the loan to equity shares. Management believes that the loan has a fair value of Nil as at 31 March 2022 (2021: Nil) as management does not expect to recover it either through settlement or conversion.

Tata Power International Pte. Limited

Notes to the financial statements For the financial year ended 31 March 2022

17. Asset held for sale

During the year, the management resolved to dispose of the investment in Adjaristsqali Netherlands B.V. and the investment is expected to be sold within 12 months after the end of the financial year. As at 31 March 2022, the investment has been classified as asset held for sale and is presented separately in the statement of financial position.

	2022	2021
	US\$	US\$
Investment in joint ventures	16,583,399	–

The proceed from the sale is expected to approximate the net carrying amount of the investment and accordingly, an impairment loss of US\$24,848,442 was recognised in profit or loss (Note 12) as at the end of the financial year.

18. Cash and cash equivalents

	2022	2021
	US\$	US\$
Cash in hand	232	237
Cash at bank	404,851	1,313,581
Fixed deposits	26,675,482	4,570,979
Cash and cash equivalents	27,080,565	5,884,797

The fixed deposits bear an average interest rate of 0.16 % to 0.90 % (2021: 0.30 % to 4.75%) per annum and have a tenure of approximately 2 month (2021: approximately 1 month).

Cash and cash equivalents are denominated in the following currencies as at 31 March:

	2022	2021
	US\$	US\$
United States Dollars	27,037,518	5,425,686
Singapore Dollars	42,840	10,476
South African Rand	–	448,431
Indonesian Rupiah	207	204
Cash and cash equivalents	27,080,565	5,884,797

Tata Power International Pte. Limited

**Notes to the financial statements
For the financial year ended 31 March 2022**

19. Loan and borrowings

	2022	2021
	US\$	US\$
Current		
Lease liabilities	28,022	39,841
Loans from related companies	331,447,527	–
Total current borrowings	<u>331,475,549</u>	<u>39,841</u>
Non-current		
Secured bank loan	99,559,948	99,313,438
Lease liabilities	–	29,272
Loans from related companies	–	52,208,082
Total non-current borrowings	<u>99,559,948</u>	<u>151,550,792</u>

Non-current loans from related companies

The loans are interest-free, unsecured, and repayable within the next 12 months from the end of the financial year.

Non-current loan from bank

Long term loan from Sumitomo Mitsui Banking Corporation Singapore branch (SMBC) and Bank of America (BoA)

In the prior year, the Company entered into a Term Facility Agreement with Sumitomo Mitsui Banking Corporation Singapore branch (SMBC), acting as agent, and Bank of America (BoA) for an amount of US\$100 million (2021: US\$100 million) to assist repayment of all outstanding in respect of the existing loan agreements. The holding company has agreed to guarantee the above bank loan for the sum of US\$105,000,000, as reduced on each day on which any principal amount the loan is repaid or prepaid or increased at any time on which any principal amount of the loan so repaid or prepaid is reinstated, in each case, to an amount at all times equal to 105% of the principal amount of the loan then outstanding. The bank loan bears interest at a floating rate of LIBOR plus 1.55% per annum and is repayable on 05 January 2024. As at 31 March 2022, the bank loan amounting to US\$99,559,948 (2021: US\$99,313,438) comprises of outstanding principal of US\$99,250,000 (2021: US\$99,250,000) and accrued interest of US\$309,848 (2021: US\$63,438).

Tata Power International Pte. Limited

**Notes to the financial statements
For the financial year ended 31 March 2022**

19. Loan and borrowings (cont'd)

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

	2021 US\$	Cash flows (Net) US\$	Non-cash changes		2022 US\$
			Accretion of interests US\$	Others* US\$	
Loans					
- Current	–	275,219,843	–	56,227,684	331,447,527
- Non-current	151,521,520	–	4,266,112	(56,227,684)	99,559,948
Lease liabilities					
- Current	39,841	(42,500)	1,409	29,272	28,022
- Non-current	29,272	–	–	(29,272)	–
Total	151,590,633	275,177,343	4,267,521	–	431,035,497

	2020 US\$	Cash flows (Net) US\$	Non-cash changes		2021 US\$
			Accretion of interests US\$	Others* US\$	
Loans					
- Current	11,450,000	(11,450,000)	–	–	–
- Non-current	130,646,093	13,674,366	9,887,738	(2,686,677)	151,521,520
Lease liabilities					
- Current	39,841	(42,452)	2,611	39,841	39,841
- Non-current	69,113	–	–	(39,841)	29,272
Total	142,205,047	2,800,000	63,438	6,522,148	151,590,633

* The 'others' column in case of loans relates to fair valuation impact on the interest free loan and the impact on PL for early settlement of loan and in case of lease liabilities it relates to reclassification of non-current loans due to passage of time.

20. Trade payables

	2022 US\$	2021 US\$
Holding company	3,057,106	4,048,930
Related companies	–	8,638,836
Third parties	2,309,168	4,063
Total trade payables	5,366,274	12,691,829

Trade payables (including payables to holding company and related companies) are unsecured, non-interest bearing and have an average credit period of 30 days (2021: 30 days) and approximate their fair values.

Tata Power International Pte. Limited

**Notes to the financial statements
For the financial year ended 31 March 2022**

20. Trade payables (cont'd)

Trade payables are denominated in the following currency as at 31 March:

	2022	2021
	US\$	US\$
Singapore Dollars	320,302	31,809
United States Dollars	5,045,972	12,660,020

21. Other payables

	2022	2021
	US\$	US\$
Holding company	175,261	128,443
Deferred revenue	1,998,164	1,498,622
Accrued expenses	218,571	242,412
Total other payables	2,391,996	1,869,477
Add: Trade payables (Note 18)	5,366,274	12,691,829
Add: Non-current borrowings (Note 19)	99,559,948	151,550,792
Add: Current borrowings (Note 19)	331,475,549	39,841
Less: Deferred revenue	(1,998,164)	(1,498,622)
Total financial liabilities carried at amortised cost	436,795,603	164,653,317

Other payables are denominated in the following currencies as at 31 March:

	2022	2021
	US\$	US\$
United States Dollars	2,356,536	1,840,444
Singapore Dollars	35,460	29,033
	2,391,996	1,869,477

Other payables – holding company

The Company's other payables are non-trade in nature, unsecured, interest-free and are repayable within the next twelve months.

Tata Power International Pte. Limited

Notes to the financial statements For the financial year ended 31 March 2022

22. Share capital

	2022	2022	2021	2021
	No. of shares	US\$	No. of shares	US\$
<i>Issued and fully paid ordinary shares:</i>				
At beginning and end of the year	67,730,650	85,940,000	67,730,650	85,940,000

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.

23. Capital reserve

	2022	2021
	US\$	US\$
Pre-incorporation costs contributed from holding company	95,319	95,319
Fair value adjustment arising from loan	18,254,831	18,254,831
Deemed capital contribution	5,152,687	5,152,687
	<u>23,502,837</u>	<u>23,502,837</u>

The deemed capital contribution is due to the difference in the net present value of the redeemable non-cumulative preference shares ('RPS') amount received and their initial fair value recognition amount. Management had used the effective interest method to account for the amortised cost of the RPS with an applicable discount rate of 7.54%. The same is classified as "Capital reserves" upon inception. In earlier years RPS were issued and redeemed.

The fair value adjustment arising from loan is due to the discounting of an interest-free loan from related companies during the earlier years and the current year.

24. Commitment

The Company had previously entered into a contract with a related company to acquire multiple investments at a total consideration of US\$30.7 million. In 2015, the Company completed acquisition of investment of US\$7.6 million and a joint venture of US\$22.3 million. The remaining commitment of US\$0.8 million is expected to be invested by 31 March 2023

25. Leases

The company has entered into a lease contract for office space. The company's obligations under this lease is secured by the lessor's title to the leased asset. Carrying amounts of right-of-use assets classified within property, plant and equipment is disclosed under 'Leasehold Buildings' in Note 10. The carrying amounts of lease liabilities (included under borrowings), movements during the year, including total cash outflows, are disclosed in Note 19.

Amounts recognised in profit or loss

	2022	2021
	US\$	US\$
Depreciation of right of use asset (Note 10)	40,715	40,634
Interest expense on lease liabilities (Note 6)	1,409	2,611
	<hr/>	<hr/>
Total amount recognised in profit or loss	<u>42,124</u>	<u>43,245</u>

26. 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.

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

(b) *Assets measured at fair value*

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical assets (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant un- observable inputs (Level 3) US\$	Total US\$
2022				
<i>Assets measured at fair value</i>				
<u>Financial assets</u>				
Derivative financial instruments				
– Interest rate swap (Note 15)	–	3,351,371	–	3,351,371
<hr/>				
2021				
<i>Assets measured at fair value</i>				
<u>Financial assets</u>				
Investment securities (Note 13)	172,456	–	–	172,456
<hr/>				

There were no transfers of assets or liabilities between Levels 1, 2 and 3. The fair value of other financial assets and financial liabilities approximates their fair value either due to short-term nature or considering facts such as recent transaction and/ or interest rate applicable is closer to the current market interest rate.

Interest rate swap have a notional principal amount of US\$100,000,000 (2021: US\$NIL) and have a maturity date on 05 January 2024.

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.

27. 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.

Refer to Notes 14 and 15 for credit risk and other information in respect of trade receivables and other receivables as stated above are due from the parties under normal course of the business and as such Company believes exposure to credit risk is minimal.

Excessive risk concentration

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

For the financial year ended 31 March 2022, eight (2021: seven) customers represented the entire balance of the Company's trade receivables balance. Further details of credit risks on trade receivables are disclosed in Note 14.

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 Notes 14 and 15 (Trade and other receivables).

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

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

	Trade Receivable						Total USD
	Days past due						
	Current USD	<30 days USD	31–90 days USD	91–180 days USD	181–360 days USD	> 360 days USD	
31 March 2022							
Expected credit loss rate	0%	0%	0%	0%	8%	96%	
Estimated total gross carrying amount at default	6,327,184	1,795,488	303,654	176,000	191,600	3,019,942	11,813,868
Expected credit loss					(15,000)	(2,897,062)	(2,912,062)

	Trade Receivable						Total USD
	Days past due						
	Current USD	<30 days USD	31–90 days USD	91–180 days USD	181–360 days USD	> 360 days USD	
31 March 2021							
Expected credit loss rate	0%	0%	0%	0%	10%	90%	
Estimated total gross carrying amount at default	568,206	45,000	340,679	135,000	519,000	3,795,460	5,403,345
Expected credit loss					(51,900)	(3,420,830)	(3,472,730)

(b) *Liquidity risk*

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

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

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

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

(b) *Liquidity risk (cont'd)**Liquidity risk analysis*Non-derivative financial assets and liabilities

The following tables details the expected maturity for non-derivative financial assets and liabilities.

The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the Company's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the balance sheet.

For financial liabilities, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can 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 balance sheet.

	Average effective interest rate %	On demand or within one year US\$	Within 2-5 years	Adjustment US\$	Total US\$
Financial assets					
2022					
Non-interest bearing		35,982,371	3,351,371	–	39,333,742
Fixed interest rate instruments	6.30	2,266,124	–	(2,266,124)	–
		<u>38,248,495</u>	<u>3,351,371</u>	<u>(2,266,124)</u>	<u>39,333,742</u>
2021					
Non-interest bearing	–	7,815,412	–	–	7,815,412
Fixed interest rate instruments	6.30	2,558,971	–	(151,661)	2,407,310
		<u>10,374,383</u>	<u>–</u>	<u>(151,661)</u>	<u>10,222,722</u>

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For the financial year ended 31 March 2022

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

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

	Average effective interest rate %	On demand or within one year US\$	Within 2–5 years US\$	Adjustment US\$	Total US\$
Financial liabilities					
2022					
Non-interest bearing		337,235,655	–	(1,474,473)	337,235,655
Variable interest rate instrument		–	101,197,573	(1,637,625)	99,559,948
		<u>337,235,655</u>	<u>101,197,573</u>	<u>(3,112,098)</u>	<u>436,795,603</u>
2021					
Non-interest bearing	–	13,102,575	55,811,292	(3,573,988)	65,339,879
Variable interest rate instrument	1.65	–	100,952,110	(1,638,672)	99,313,438
		<u>13,102,575</u>	<u>156,763,402</u>	<u>(5,212,660)</u>	<u>164,653,317</u>

(c) *Foreign currency risk*

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against United States Dollars that will affect the Company's financial results and its cash flows. The Company's foreign currency exposures arise mainly from the exchange rate movements of Singapore Dollars, Australian Dollars, South African Rand, Indonesia Rupiah and Indian Rupee against United States Dollars.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency are as follows:

	Assets		Liabilities	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Singapore Dollars	56,300	26,523	387,254	60,842
Australian Dollars	–	172,456	–	–
South African Rand	–	449,251	–	–
Indonesia Rupiah	207	204	–	–

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

(c) *Foreign currency risk (cont'd)*

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Company. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the United States Dollars, profit or loss before income tax will (decrease)/increase by:

	2022	2021
	US\$	US\$
Singapore Dollars	(33,095)	(3,432)
Australian Dollars	–	17,246
South African Rand	–	44,925
Indonesia Rupiah	21	20

The opposite applies if the relevant foreign currencies weaken by 10% against the functional currency of the Company.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(d) *Interest rate risk*

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the current reporting period or in future years.

The Company's profit or loss for the year is not expected to be substantially affected by changes in interest rates.

Tata Power International Pte. Limited

Notes to the financial statements For the financial year ended 31 March 2022

28. 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. The capital structure of the Company comprises of issued capital and funding from its holding company. No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 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, less cash and cash equivalents. Capital includes equity attributable to the owner of the Company.

	Note	2022 US\$	2021 US\$
Loan and borrowings:			
Non-current	19	99,559,948	151,550,792
Current	19	331,475,549	39,841
Trade payables	20	5,366,274	12,691,829
Other payables	21	2,391,996	1,869,477
Less: Cash and cash equivalents	18	(27,080,565)	(5,884,797)
Net debt		<u>411,713,202</u>	<u>160,267,142</u>
Equity attributable to the owner of the Company		<u>4,725,560</u>	<u>(6,518,034)</u>
Capital and net debt		<u>416,438,762</u>	<u>153,749,108</u>
Gearing ratio		<u>0.99</u>	<u>1.04</u>

29. 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.

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2022

	Period ended March, 2022	Exchange Rate	Amount	Period ended March, 2021	Exchange Rate	Amount
	USD		₹	USD		₹
Service fees income from consultancy services rendered	11,137,846	74.51	829,887,588	11,292,057	74.21	838,019,685
Service fee expense	(5,299,374)	74.51	(394,859,536)	(6,423,316)	74.21	(476,694,835)
Other income	49,026,797	74.51	3,653,016,061	2,705,042	74.21	200,749,823
Exchange gain/(loss)	4,204	74.51	313,243	74,914	74.21	5,559,608
Staff and related costs	(178,675)	74.51	(13,313,181)	(356,837)	74.21	(26,482,016)
Operating expense	(1,292,690)	74.51	(96,319,108)	(10,842,457)	74.21	(804,653,430)
Impairment loss on investments	(32,620,357)	74.51	(2,430,562,372)	(16,000,171)	74.21	(1,187,423,890)
Fair value gain on investment securities	-	74.51	-	138,159	74.21	10,253,221
Depreciation	(41,255)	74.51	(3,073,935)	(41,539)	74.21	(3,082,742)
Finance costs	(4,866,914)	74.51	(362,636,682)	(10,099,544)	74.21	(749,519,479)
Profit (Loss) before income tax	15,869,582	74.51	1,182,452,078	(29,553,692)	74.21	(2,193,274,055)
Income tax expense	(4,625,988)	74.51	(344,685,141)	(445,970)	74.21	(33,096,861)
Total Profit (Loss) for the year, representing total comprehensive income (loss) for the year	11,243,594	74.51	837,766,937	(29,999,662)	74.21	(2,226,370,916)

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	As at March, 2022	Exchange Rate	Amount ₹	As at March, 2021	Exchange Rate	Amount ₹
	USD			USD		
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents	27,080,565	75.79	2,052,333,115	5,884,797	73.11	430,252,221
Trade receivables	8,901,806	75.79	674,634,050	1,930,615	73.11	141,152,089
Other receivables and prepayments	5,077,798	75.79	384,827,015	3,706,030	73.11	270,957,118
Total current assets	<u>41,060,169</u>	75.79	<u>3,111,794,180</u>	<u>11,521,442</u>	73.11	<u>842,361,428</u>
Non-current assets						
Plant and equipment	27,155	75.79	2,057,974	68,410	73.11	5,001,626
Investment in subsidiary	287,906,124	75.79	21,819,311,095	-	73.11	-
Investment in joint venture	98,675,644	75.79	7,478,252,091	148,118,885	73.11	10,829,341,980
Investment in securities	-	75.79	-	172,456	73.11	12,608,689
Total non-current assets	<u>386,608,923</u>	75.79	<u>29,299,621,160</u>	<u>148,359,751</u>	73.11	<u>10,846,952,295</u>
Assets Held for Sale	16,583,399	75.79	1,256,792,793	-	73.11	-
TOTAL ASSETS	<u>444,252,491</u>	75.79	<u>33,668,208,133</u>	<u>159,881,193</u>	73.11	<u>11,689,313,723</u>
<u>LIABILITIES AND EQUITY</u>						
Non Current liabilities						
Loans and Borrowings	99,559,948	75.79	7,545,270,131	151,550,792	73.11	11,080,257,280
	<u>99,559,948</u>		<u>7,545,270,131</u>	<u>151,550,792</u>		<u>11,080,257,280</u>
Current liabilities						
Loans and Borrowings	331,475,549	75.79	25,121,272,252	39,841	73.11	2,912,875
Trade payables	5,366,274	75.79	406,689,515	12,691,829	73.11	927,931,348
Other payables	2,391,996	75.79	181,280,287	1,869,477	73.11	136,682,137
Income tax payable	733,164	75.79	55,563,714	247,288	73.11	18,079,844
Total current liabilities	<u>339,966,983</u>	75.79	<u>25,764,805,768</u>	<u>14,848,435</u>	73.11	<u>1,085,606,204</u>
Equity attributable to the owner of the Company						
Share capital	85,940,000	65.61	5,638,192,654	85,940,000	65.61	5,638,192,654
Capital reserve	23,502,837	77.87	1,830,282,981	23,502,837	77.87	1,830,282,981
Accumulated losses	(104,717,277)	67.52	(7,070,687,807)	(115,960,871)	68.20	(7,908,454,744)
Exchange fluctuation reserve			(39,655,594)			(36,570,652)
Net equity	<u>4,725,560</u>	75.79	<u>358,132,234</u>	<u>(6,518,034)</u>	73.11	<u>(476,549,761)</u>
TOTAL LIABILITIES AND EQUITY	<u>444,252,491</u>	75.79	<u>33,668,208,133</u>	<u>159,881,193</u>	73.11	<u>11,689,313,723</u>

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2022

	Share capital	Exchange Rate	Amount	Capital reserve	Exchange Rate	Amount	Accumulated loss	Exchange Rate	Amount	Total	Exchange Rate	Amount
	USD		₹	USD		₹	USD		₹	USD		₹
Balance at March 31, 2020	<u>85,940,000</u>	65.61	<u>5,638,192,654</u>	<u>20,816,160</u>	78.35	<u>1,630,896,083</u>	<u>(85,961,209)</u>	66.10	<u>(5,682,083,828)</u>	<u>20,794,951</u>	76.32	<u>1,587,004,909</u>
Profit/(Loss) for the year, representing total comprehensive income for the financial year							(29,999,662)	74.21	(2,226,370,916)	(29,999,662)	74.21	(2,226,370,916)
Fair value adjustment arising from interest free loan	-		-	2,686,677	74.21	199,386,898	-		2,686,677	74.21	199,386,898	
Balance at March 31, 2021	<u>85,940,000</u>	65.61	<u>5,638,192,654</u>	<u>23,502,837</u>	77.87	<u>1,830,282,981</u>	<u>(115,960,871)</u>	68.20	<u>(7,908,454,744)</u>	<u>(6,518,034)</u>	67.50	<u>(439,979,109)</u>
Profit/(Loss) for the year, representing total comprehensive income for the year							11,243,594	74.51	837,766,937	11,243,594	74.51	837,766,937
Balance at March 31, 2022	<u>85,940,000</u>	65.61	<u>5,638,192,654</u>	<u>23,502,837</u>	77.87	<u>1,830,282,981</u>	<u>(104,717,277)</u>	67.52	<u>(7,070,687,807)</u>	<u>4,725,560</u>	84.18	<u>397,787,828</u>

TATA POWER INTERNATIONAL PTE. LIMITED
STATEMENT CASH FLOWS
YEAR ENDED MARCH 31, 2022

	Period ended March, 2022	Exchange Rate	Amount	Period ended March, 2021	Exchange Rate	Amount
	USD		₹	USD		₹
Operating activities						
Profit (Loss) before income tax	15,869,582	74.51	1,182,452,078	(29,553,692)	74.21	(2,193,274,055)
<i>Adjustment for :</i>						
Interest expenses	4,866,914	74.51	362,636,683	10,099,544	74.21	749,519,479
Interest income	(998,657)	74.51	(74,410,532)	(95,803)	74.21	(7,109,847)
Depreciation Expenses	41,255	74.51	3,073,935	41,539	74.21	3,082,742
Allowance for expected credit loss on trade receivables	(7,494,812)	74.51	(558,442,940)	9,398,070	74.21	697,460,848
Dividend Income	(37,180,000)	74.51	(2,770,304,111)	(2,600,000)	74.21	(192,954,320)
Impairment loss on investments	32,620,357	74.51	2,430,562,375	16,000,171	74.21	1,187,423,890
Fair value gain on investment securities	-	74.51	-	(138,159)	74.21	(10,253,221)
Loss on sale of investment securities	52,704	74.51	3,927,007	86,383	74.21	6,410,759
Loss on sale of investment in Joint venture	54,694	74.51	4,075,283	-	74.21	-
Market to market gain on derivatives	(3,351,371)	74.51	(249,712,664)	-	74.21	-
Cash flows before changes in working capital	4,480,666	74.51	333,857,114	3,238,053	74.21	240,306,275
Decrease/(increase) in trade receivables	(6,410,523)	74.51	(477,651,916)	2,674,942	74.21	198,516,006
Decrease in trade payables	(7,325,555)	74.51	(545,831,499)	3,298,525	74.21	244,794,096
Decrease in other receivables and prepayments	(427,709)	74.51	(31,868,854)	165,188	74.21	12,259,130
Decrease in Other payables	2,424,293	74.51	180,635,526	(221,272)	74.21	(16,421,303)
Cash (used in) generated from operations	(7,258,828)	74.51	(540,859,629)	9,155,436	74.21	679,454,204
Interest received	70,074	74.51	5,221,256	9,420	74.21	699,088
Interest paid	(2,501,167)	74.51	(186,363,454)	(751,064)	74.21	(55,738,863)
Income tax paid	(4,140,112)	74.51	(308,482,230)	(414,395)	74.21	(30,753,579)
Net cash (used in) from operating activities	(13,830,033)	74.51	(1,030,484,057)	7,999,397	74.21	593,660,850
Investing activities						
Investment in Subsidiary	(285,640,000)	74.51	(21,283,207,810)	-	74.21	-
Investment in joint venture	-	74.51	-	(8,535,700)	74.21	(633,461,611)
Proceeds from sale of investment in Joint venture	7,956,706	74.51	592,858,939	-	74.21	-
Proceeds from sale of investment securities	119,752	74.51	8,922,793	-	74.21	-
Repayment of loan from Joint Ventures	232,000	74.51	17,286,459	-	74.21	-
Dividend received	37,180,000	74.51	2,770,304,111	2,600,000	74.21	192,954,320
Net cash from (used in) investing activities	(240,151,542)	74.51	(17,893,835,508)	(5,935,700)	74.21	(440,507,291)
Financing activities						
Proceeds from loan from related companies	275,219,843	74.51	20,506,795,659	-	74.21	-
Proceeds from borrowings	-	74.51	-	129,250,000	74.21	9,592,056,099
Repayment of borrowings	-	74.51	-	(126,450,000)	74.21	(9,384,259,139)
Payment of principal portion of lease liabilities	(42,500)	74.51	(3,166,701)	(39,841)	74.21	(2,956,728)
Net cash from (used in) financing activities	275,177,343	74.51	20,503,628,958	2,760,159	74.21	204,840,232
Net increase in cash and cash equivalents	21,195,768	74.51	1,579,309,393	4,823,856	74.21	357,993,791
Cash and cash equivalents at the beginning of financial year	5,884,797	73.11	430,252,221	1,060,941	75.54	80,146,135
Effect of exchange fluctuation on cash and cash equivalents			42,771,502			(7,887,705)
Cash and cash equivalents at the end of the financial year	27,080,565	75.79	2,052,333,115	5,884,797	73.11	430,252,221