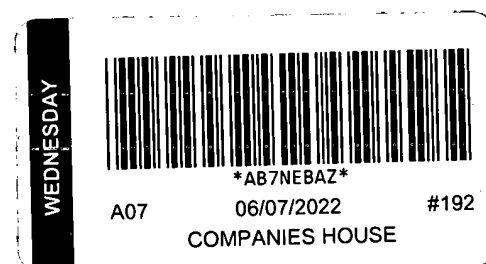


CDC South Asia Renewables Limited
Annual Report and Financial Statements
Year ended 31 December 2021

Company Number: 04024449



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Directors' report

The Directors are pleased to present their report together with the Audited financial statements of CDC South Asia Renewables Limited (the "Company") for the year ended 31 December 2021.

Directors

Colin Buckley

Jane Earl

Chris Coles

Christopher Chijiutomi

Andrew Wallace

Carolyn Sims

Rohit Anand

Resigned on 29 January 2021

Resigned on 24 February 2021

Appointed 24 February 2021

Principal activity

The principal activity of the Company is that of an investment company, investing in emerging markets.

During 2021, the Company's investee, Ayana Renewable Power Private Limited (Ayana India), issued a total of 521,358,834 shares to existing shareholders. The Company did not participate in this share issue and consequently, the Company's shareholding in Ayana India was diluted from 49% to 32% as a result of the new subscription.

Business and performance review

The Company recorded a net loss of US\$7,764,039 for the year ended 31 December 2021 (2020: Net profit of US\$5,046,349). The net liabilities of the Company were US\$687,546 at 31 December 2021 (2020: net assets of US\$7,076,493).

Financial statements

The Company has taken advantage of section 414B of the Companies Act 2006 not to produce a strategic report on the grounds that it is a small company. Notes 12 and 13 to the financial statements includes the Company's policies and processes for managing its financial risk, details of its financial instruments and hedging activities and its exposures to credit and liquidity risk. The Directors believe that the Company is well placed to manage its business risks successfully.

Principal risks

The Company invests in developing countries. Investments are valued at fair value, which is the price which would be received in an orderly transaction between market participants at the measurement date. The valuation methodology has been developed in accordance with IFRS 13 Fair Value Measurement and the International Private Equity and Venture Capital Valuation Guidelines. For further detail on other risks affecting the Company, please refer to note 15.

The detailed valuation methodology sets out best practice with respect to valuing investments (note 15).

Valuation risks are mitigated by comprehensive reviews of the application of the valuation methodology. For further detail on other risks affecting the entity refer to note 13.

Proposed dividend

The Directors do not recommend payment of a dividend.

Financial instruments

The Company's principal financial assets comprise cash and financial liabilities comprise amounts due to parent company. Details are provided in note 11 of the financial statements.

Disclosure of information to auditor

So far as each Director is aware at the date of approval of this report, there is no relevant audit information of which the Company's auditor is unaware and each Director confirms that he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. Each Director benefits from an indemnity which includes provisions in relation to duties as a Director of the Company or an associated company and protection against derivative actions.

Change of name

The name of CDC Group plc, the Company's intermediate parent company, was changed to British International Investment plc (BII) on 29 March 2022.

Directors Report

Going Concern

With support from BII, the Directors have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for at least the next 12 months. The Directors have considered the Company's net liability position and note that current assets are less than the current liabilities even when excluding the inter-company payables. Therefore, the Company relies on BII to cover any ongoing expenses. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have considered the loss-making position of the Company in determining the going concern position. BII has issued a letter of support which confirms that BII will cover any ongoing expenses incurred by the Company. The Directors have reasonable expectation that BII will continue to support the Company.

In assessing the going concern status for the Company, the Directors have closely monitored the Company's activities throughout the year and has considered the cash flow forecasts of the intermediate parent company, BII. Current forecasts demonstrate that the Group has sufficient liquid resources available to maintain planned investment pace until the end of 2023 without needing to draw on the revolving credit facility.

Having performed the assessment on going concern, the Directors consider it appropriate to prepare the financial statements of the Company on a going concern basis. The Directors consider the Company has adequate financial resources and is well placed to manage business risks in the current economic environment to continue operations for a period of at least 12 months from the date of issue of the financial statements.

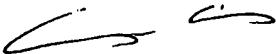
Subsequent events

There have been no material events since the reporting period that would require adjustment to these financial statements. Refer to note 16.

Appointment of auditor

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the continuing appointment of Deloitte LLP as the Company's auditor was passed by the members of the Company, following which, in accordance with Section 487, Deloitte will be deemed to be reappointed and will therefore continue in office for the following year.

Approved by the Board of Directors on 22 June 2022 and signed on behalf of the Board on 24 June 2022.



Carolyn Sims
Director

Registered in England No 04024449

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB) and as adopted by the United Kingdom (UK). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of CDC South Asia Renewables Limited

Report on the audit of the financial statements

Opinion

In our opinion the annual report and financial statements of CDC South Asia Renewables Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted IFRSs as issued by the IASB

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the Company's current assets are less than the current liabilities even when excluding the inter-company payables and therefore it relies on BII, the intermediate parent company, to cover ongoing expenses. As stated in note 1, these events or conditions along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the members of CDC South Asia Renewables Limited

Responsibilities of Directors

As explained more fully in the Director's Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, 2006 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuations regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

- Valuation of investments with significant unobservable inputs involves the application of a valuation methodology and the use of assumptions which require significant management judgement and therefore there is potential for management bias. We have challenged management around the valuation's key inputs and assumptions, whilst performing selected retrospective analysis on forecasts to assess for management bias.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the members of CDC South Asia Renewables Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

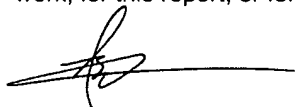
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 June 2022

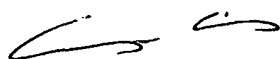
Statement of Financial Position

As at 31 December 2021

	Notes	2021 US\$	2020 US\$
Assets			
Non-current assets			
Equity Investments	2	91,148,207	96,429,742
		91,148,207	96,429,742
Current assets			
Cash and cash equivalents	3	7,741	15,362
Other receivables		186,786	1,066
		194,527	16,428
Total assets		91,342,734	96,446,170
Equity and liabilities			
Shareholders' equity			
Issued capital	4	3	3
Retained earnings		(687,549)	7,076,490
		(687,546)	7,076,493
Non-current liabilities			
Deferred tax liability		570,756	1,203,045
		570,756	1,203,045
Current liabilities			
Amounts due to parent company	9	89,287,253	87,471,847
Forward foreign exchange contracts	14	2,134,547	666,195
Other payables	6	37,724	28,590
		91,459,524	88,166,632
Total liabilities		92,030,280	89,369,677
Total equity and liabilities		91,342,734	96,446,170

The accompanying notes form part of the financial statements.

The Accounts were approved by the Board of Directors on 22 June 2022 and signed on behalf of the Board on 24 June 2022 by:



Carolyn Sims
Director

Registered in England No 04024449

Statement of Comprehensive Income

For the 12 months to 31 December 2021

	Notes	2021 Total US\$	2020 Total US\$
Fair value (losses)/gains on equity investments	2	(5,281,534)	6,874,839
Administrative and other expenses	7	(29,294)	(24,743)
(Loss)/profit from operations before tax and finance costs		(5,310,828)	6,850,096
Net foreign exchange differences	8	(3,272,285)	(902,786)
(Loss)/profit from operations before tax		(8,583,113)	5,947,310
Taxation	11	819,074	(900,961)
Total comprehensive (loss)/income for the year		(7,764,039)	5,046,349

All the above items are derived from continuing operations.

The Company has no items of other comprehensive income for the current year or the previous year.

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the 12 months to 31 December 2021

	Notes	2021 US\$	2020 US\$
Cash flows from operating activities			
(Loss)/profit from operations before tax		(8,583,113)	5,947,310
Fair value losses/(gains) on equity investments	2	5,281,534	(6,874,839)
Foreign exchange movements		13	(149,285)
Loss from operations before changes in working capital		(3,301,566)	(1,076,813)
Movement in other receivables		1,066	(1,066)
Movement in amounts due to parent company		1,815,406	684,223
Movement in other payables		9,134	9,720
Movement in derivative financial instruments		1,468,352	521,950
Cash flows (used in)/from operations		(7,608)	138,014
Tax paid			(185,487)
Cash flows used in operations		(7,608)	(47,474)
Cash flows from investing activities			
Net acquisition of equity investments	2		(41,889,153)
Cash flows used in investing activities			(41,889,153)
Cash flows from financing activities			
Loan advances from the parent company			38,453,077
Cash flows from financing activities			38,453,077
Net increase in cash and cash equivalents		(7,608)	(3,483,548)
Cash and cash equivalents at 1 January		15,362	3,349,625
Effect of exchange rate fluctuations on cash held		(13)	149,285
Cash and cash equivalents at 31 December	3	7,741	15,362

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the 12 months to 31 December 2021

	Notes	Share capital US\$	Retained earnings US\$	Total US\$
At 1 January 2020	4	3	2,030,141	2,030,144
Changes in equity for 2020				
Total comprehensive income for the year		-	5,046,349	5,046,349
At 31 December 2020	4	3	7,076,490	7,076,493
Changes in equity for 2021				
Total comprehensive loss for the year		-	(7,764,039)	(7,764,039)
At 31 December 2021	4	3	(687,549)	(687,546)

The accompanying notes form an integral part of these financial statements.

Notes to the Accounts

1. Corporate information and accounts preparation

Corporate information

CDC South Asia Renewables Limited ("the Company") is a private limited company incorporated in England and Wales, limited by shares. It is a wholly owned subsidiary of BII, a public limited company incorporated in England and Wales. BII acts as the intermediate parent company and its financial statements are publicly available. The ultimate parent of the Company is the Secretary of State for Foreign, Commonwealth and Development Affairs with effect from 30 September 2020.

The Company's registered office is located at 123 Victoria Street, London SW1E 6DE, England.

The principal activity of the Company is that of an investment company, investing in emerging markets.

Statement of compliance

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

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and other financial instruments that have been presented and measured at fair value in accordance with relevant accounting standards.

The Company meets the definition of an investment entity under the provisions of IFRS10. Under IFRS 10 investment entities are required to hold subsidiaries at FVTPL rather than consolidate them.

Assessment as investment entity

Under the definition of an investment entity, as set out in the standard, the entity should satisfy all three of the following tests:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services; and
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 management note that:

- The Company receives funds from BII for the purpose of investing and provides investment management services.
- The purpose of the Company is to invest for capital appreciation and investment income so as to contribute to sustainable development and economic growth in developing countries by creating lasting employment.
- The Company measures and evaluates the performance of all of its investments on a fair value basis. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making

The financial statements are presented in US dollars, which is also the Company's functional currency. Assets and liabilities are retranslated at spot rates at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of assets and liabilities denominated in foreign currencies at the year-end exchange rate are recognised in the statement of comprehensive income.

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. A summary of other significant accounting policies can be found in note 15.

Going Concern

With support from BII, the Directors have a reasonable expectation that the Company will have adequate financial resources to continue in operational existence for at least the next 12 months. The Directors have considered the Company's net liability position and note that current assets are less than the current liabilities even when excluding the inter-company payables. Therefore, the Company relies on BII to cover any ongoing expenses. These conditions indicate that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have considered the loss-making position of the Company in determining the going concern position. BII has issued a letter of support which confirms that BII will cover any ongoing expenses incurred by the Company. The Directors have reasonable expectation that BII will continue to support the Company.

Notes to the Accounts

Continued

1. Corporate information and accounts preparation (continued)

Going Concern (continued)

In assessing the going concern status for the Company, the Directors have closely monitored the Company's activities throughout the year and has considered the cash flow forecasts of the intermediate parent company, BII. Current forecasts demonstrate that the Group has sufficient liquid resources available to maintain planned investment pace until the end of 2023 without needing to draw on the revolving credit facility.

Having performed the assessment on going concern, the Directors consider it appropriate to prepare the financial statements of the Company on a going concern basis. The Directors consider the Company has adequate financial resources and is well placed to manage business risks in the current economic environment to continue operations for a period of at least 12 months from the date of issue of the financial statements.

2. Equity investments

	2021 Unlisted Shares US\$	2020 Unlisted Shares US\$
At 1 January, at fair value	96,429,742	47,665,750
Additions		41,889,153
Fair value (loss)/gains on equity investments	(5,281,534)	6,874,839
At 31 December, at fair value	91,148,208	96,429,742

Unlisted shares are included within Level 3 of the fair value hierarchy. The Company holds no Level 1 or Level 2 equity investments. There have been no transfers between levels during the year.

The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The Company's fair value methodology for equity investments is disclosed note in 15. The fair value hierarchy also applies to forward foreign exchange contracts. Refer to note 14 for further details.

The most significant unobservable input into the discounted cash flow is the discount rate where management have used 12.5% to value the equity investments. The following sensitivity of the investment fair value in respect of the discount rate:

Description	Fair value at 31 Dec 2021 US\$m	Valuation Technique	Unobservable Inputs	Average Discount rate +/-	Change in Valuation US\$m +/-
Global Equity Securities	91.1	Discounted cashflows	Discount rate	12.5%	24.8

3. Cash and cash equivalents

	2021 US\$	2020 US\$
Cash at bank and in hand	7,741	15,362
Total cash and cash equivalents	7,741	15,362

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is US\$7,741 (2020: US\$15,362).

4. Issued capital

	2021 No. of shares	2020 No. of shares
Issued Capital		
Ordinary shares of US\$1.31 each	2	2

Notes to the Accounts

4. Issued capital (continued)

	2021 No. of shares	2021 US\$	2020 No. of shares	2020 US\$
Allotted, called up and fully paid Ordinary shares				
At 1 January, Ordinary shares of US\$1.31 each	2	3	2	3
Issued Ordinary shares of US\$1.31 each			-	-
At 31 December, Ordinary shares of US\$1.31 each	2	3	2	3

5. Other receivables

	2021 US\$	2020 US\$
Group tax relief	186,786	-
Tax recoverable – Value Added Tax (VAT)	-	1,066
Total other payables	186,786	1,066

Refer to note 13 for maximum exposure to credit risk.

6. Other payables

	2021 US\$	2020 US\$
Auditors' fees payable	11,935	11,483
Accruals	25,789	17,078
Other payables	-	29
Total other payables	37,724	28,590

7. Administrative and other expenses

	2021 US\$	2020 US\$
Professional services	15,807	8,800
Auditors' remuneration	12,081	11,403
Other administrative expenses	1,406	4,540
Total administrative and other expenses	29,294	24,743

Auditor's remuneration relates to auditing of financial statements and no non-audit services have been performed. The Company has no employees and no related staff costs and the Directors did not receive any emoluments in respect of services to the Company.

8. Net foreign exchange differences

	2021 US\$	2020 US\$
Exchange losses arising on forward foreign exchange contracts	(3,272,449)	(1,052,070)
Exchange (losses)/gains arising on cash and cash equivalents	(13)	149,455
Other exchange differences	177	(170)
Total net foreign exchange differences	(3,272,285)	(902,786)

9. Amounts due to parent company

	2021 US\$	2020 US\$
Loan due to BII	84,944,077	84,944,077
Current account due to BII	4,343,176	2,527,770
Total amounts due to parent company	89,287,253	87,471,847

Notes to the Accounts

Continued

9. Amounts due to parent company (continued)

The loan is non-interest bearing, repayable on demand, subject to the Company having sufficient liquid assets to meet such demand. The loan will allow funds to flow down when needed to the Company and back up to BII when the Company receives distributions from the investments.

10. Related party transactions

During the year, the Company entered into transactions with its parent company, all of which were carried out on an arm's length basis. The transactions entered into and trading balances outstanding at 31 December were as follows:

	2021 US\$	2020 US\$
Statement of comprehensive income		
Taxation (Group tax relief)	(186,786)	-
Statement of financial position		
Amounts due to parent company	(89,287,253)	(87,471,847)

The Company has claimed US\$186,786 which forms part of a Group tax relief benefit for income tax losses surrendered to MedAccess Guarantee Ltd. MedAccess Guarantee Ltd is 100% owned by BII and a related party to CDC South Asia Renewables Limited by way of common ownership.

11. Taxation expense

Current tax

	2021 US\$	2020 US\$
Prior year (credit)/charge	(151,420)	150,121
Total income tax expense	(151,420)	150,121

Deferred tax

	2021 US\$	2020 US\$
Current year (credit)/charge	(576,744)	750,840
Prior year credit	(90,910)	-
Total income tax (credit) / expense	(576,744)	750,840

	2021 US\$	2020 US\$
Total taxation expense	(819,074)	900,961

Total tax reconciliation

	2021 US\$	2020 US\$
(Loss)/profit before tax	(8,583,113)	5,947,310
UK tax rate @ 19%	(1,630,791)	1,129,989
Effects of:		
Prior year adjustment to deferred tax	(90,910)	-
Prior year adjustment to current tax	35,365	150,121
Unrecognised loss/surrendered as group relief for nil consideration	627,299	176,418
Overseas deferred tax-rate difference	426,748	(555,567)
Group relief surrendered in prior years for consideration	(186,785)	-
Total income tax (credit) / expense for the year	(819,074)	900,961

We note that The Chancellor announced in the recent UK Budget an increase in the UK corporation tax rate from 19 to 25 percent which is due to take effect from 1 April 2023. This change is currently drafted in section 6 of Finance (No.2) Bill 2021. However, as of the date of filing, this legislative change has not been substantively enacted and therefore not reflected in our income tax balances for the period ended 31 December 2021.

Notes to the Accounts

12. Financial instruments

The Company's principal financial assets comprise cash, equity investments and other receivables. Financial liabilities comprise amounts due to parent company, foreign exchange contracts and other payables.

Interest rate exposures

	Fixed rate US\$	Floating rate US\$	No interest US\$	Total US\$	Fixed rate weighted average interest rate %	Fixed rate weighted period to full maturity Years	No interest maximum period to full maturity Years
Financial assets: Cash							
2021	-	-	7,741	7,741	-	-	-
2020	-	-	15,362	15,362	-	-	-

Currency exposures

The tables below show the Company's currency exposures that give rise to exchange rate gains and losses that are recognised in the statement of comprehensive income. Such exposures comprise those monetary assets and liabilities that are not denominated in the Company's functional currency. In order to protect the Company's US dollar statement of financial position and reduce cash flow risk, the Company uses forward foreign exchange contracts to hedge foreign exposure.

The following table shows the Company's foreign currency denominated cash balances:

Functional currency	2021 US\$	2020 US\$
INR Indian Rupees	11	11
US Dollar	4,224	5,627
Sterling	3,506	9,724
Total	7,741	15,362

The following table shows the functional currency of the Company's equity investments:

Functional currency	2021 US\$	2020 US\$
INR Indian Rupees	91,148,207	96,429,742
Total	91,148,207	96,429,742

Liquidity risk

The following tables show the maturity profile of the Company's financial assets and liabilities other than cash and equity investments:

Financial liabilities: Maturity profile	2021 Forward foreign exchange contract US\$	2021 Amounts owed to parent company US\$	2021 Other payables US\$
Due within one year, but not on demand	2,134,547	89,287,253	37,724
Due between two and five years	-	-	-
Total	2,134,547	89,287,253	37,724

Financial liabilities: Maturity profile	2020 Forward foreign exchange contract US\$	2020 Amounts owed to parent company US\$	2020 Other payables US\$
Due within one year, but not on demand	666,195	87,471,847	28,590
Due between two and five years	-	-	-
Total	666,195	87,471,847	28,590

The Company does not net off contractual amounts of financial assets and liabilities.

Notes to the Accounts

Continued

12. Financial instruments (continued)

Fair value of financial assets and liabilities

Financial assets

Unquoted equity investments are included in the statement of financial position at fair value. There is no material difference between the fair value and the book value of the Company's cash.

Financial liabilities

There is no material difference between the fair value and the book value of the Company's amounts payable to parent company. The Company's foreign exchange contracts in loss is held in the statement of financial position at fair value.

13. Financial risk management

The Company's activities expose them to a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk. Market risk includes foreign currency risk, interest rate risk and price risk. The main financial risks managed by the Company are foreign currency risk, interest rate risk, liquidity risk and credit risk. The Company uses forward foreign exchange contracts, to manage their financial risks associated with their underlying business activities and the financing of those activities. The Company does not undertake any trading activity in financial instruments.

Liquidity risk

The Company's policy on liquidity risk is to ensure that they always have sufficient funding to meet all short to medium-term funding requirements. The Company has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity through its parent. The Company's cash balance at 31 December 2021 was US\$7,741 (2020: US\$15,362) and its capital commitments including long-term commitments were US\$73.6m (2020: US\$78.5m).

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

	Notes	2021 US\$	2020 US\$
Equity investments	2	91,148,207	96,429,742
Other receivables		186,786	1,066
Cash and cash equivalents	3	7,741	15,362
Total		91,342,734	96,446,170

The Company's policy is to recognise an impairment loss when objective evidence exists that the estimated future cash flows of the asset have decreased and that this decrease can be reliably estimated. Several factors are considered when identifying indicators of impairment including breach of contract or financial difficulties being experienced by the obligor. Based on historical trends the Company believes no impairment allowance is necessary in respect of financial assets not past due.

Credit risk on the Company's cash balances is mitigated as the Company transact with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above.

Market risk

Foreign currency risk

Exposure to currency risk arises in the normal course of the Company's investment business. The Company has exposure to the Indian rupee, US Dollar & Sterling. As at 31 December 2021 and 2020, all equity investments held by the Company, were denominated in Indian rupee. In addition, the Company has a cash balance of US\$11 as at 31 December 2021 (2020: US\$11) denominated in Indian rupee, a cash balance of US\$4,224 as at 31 December 2021 (2020: US\$5,627) denominated in US Dollar and a cash balance of US\$3,506 as at 31 December 2021 (2020: US\$9,724) denominated in Sterling. In order to protect the Company's US dollar statement of financial position and reduce cash flow risk, the Company uses forward foreign exchange contracts to hedge foreign exposures.

Notes to the Accounts

13. Financial risk management (continued)

Foreign currency risk

The tables below show the foreign currency risk exposures of the Company as at 31 December 2021 and 31 December 2020 respectively.

2021	USD US\$	GBP US\$	INR US\$	Total US\$
Assets				
Cash and cash equivalents	4,224	3,506	11	7,741
Trade receivables and prepayments	186,786	-	-	186,786
Liabilities				
Amounts due to parent company	(89,287,253)	-	-	(89,287,253)
Forward foreign exchange contracts	(2,134,547)			(2,134,547)
Trade and other payables	-	(37,724)	-	(37,724)
As at 31 December	(91,230,790)	(34,218)	11	(91,264,997)

2020	USD US\$	GBP US\$	INR US\$	Total US\$
Assets				
Cash and cash equivalents	5,627	9,724	11	15,362
Trade receivables and prepayments	-	1,066	-	1,066
Liabilities				
Amounts due to parent company	(87,471,847)	-	-	(87,471,847)
Forward foreign exchange contracts	(666,195)	-	-	(666,195)
Trade and other payables	-	(28,590)	-	(28,590)
As at 31 December	(88,132,415)	(17,800)	11	(88,150,204)

Sensitivity analysis	GBP/USD 2021 US\$	INR/USD 2021 US\$	GBP/USD 2020 US\$	INR/USD 2020 US\$
A 10% increase in the GBP/USD Exchange rate	(3,422)	-	(1,780)	-
A 10% decrease in the GBP/USD Exchange rate	3,422	-	1,780	-
A 10% increase in the INR/USD Exchange rate	-	1	-	1
A 10% decrease in the INR/USD Exchange rate	-	(1)	-	(1)

The above sensitivity analysis shows the impact a 10% change in the relevant exchange rate would have on the Total Shareholder's Equity of the Company. The directors have determined that 10% is a reasonable possible change based on expected volatility of the relevant currencies.

Equity price risk

Equity investments are valued in accordance with BII valuation methodology and included in the financial statements at fair value, with gains and losses being taken to the statement of comprehensive income.

In preparing the sensitivity analysis a movement of 10% has been used as it represents a reasonable and realistic potential change in value.

Sensitivity analysis	2021 US\$	2020 US\$
A 10% increase in the fair value of the partnership's equity investment	9,114,821	9,642,974
A 10% decrease in the fair value of the partnership's equity investment	(9,114,821)	(9,642,974)

Notes to the Accounts

Continued

13. Financial risk management (continued)

Valuation risk

The Company values its portfolio according to BII valuation methodology. BII valuation guidelines have been developed in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments are valued at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants given current market conditions at the measurement date. The detailed valuation methodology sets out best practice with respect to valuing investments. Valuation risks are mitigated by comprehensive reviews of underlying investments in the private equity funds and direct investments carried out by the managers of the private equity funds at least twice a year. These valuations are reviewed by the Valuations Committee, which is chaired by the Chief Financial Officer of BII. The details of the valuation methodology are given in note 15 to the accounts under the Investments heading.

Capital management

BII considers its capital to be the total equity shown in statement of changes of equity. The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns and benefits for stakeholders;
- to maintain a strong capital base to support the development of the Company's businesses; and
- the entity is not subject to any externally imposed capital requirements.

The Board monitors the results of the Company and its financial position.

14. Forward foreign exchange contract ('FFEC')

Forward foreign exchange contract with parent company comprises:

	2021 US\$	2020 US\$
Gross foreign exchange contracts in loss	(2,134,547)	(666,195)
Total forward foreign exchange contracts	(2,134,547)	(666,195)

In the statement of financial position, these are analysed as follows:

	2021 US\$	2020 US\$
Current assets	-	-
Current liabilities	(2,134,547)	(666,195)
Total forward foreign exchange contracts	(2,134,547)	(666,195)

In accordance with the fair value hierarchy described in note 2, forward foreign exchange contracts are measured using Level 2 inputs.

The Company's US dollar denominated contract with parent company comprise:

	2021 Foreign currency in millions	2021 Weighted Average spot price	2021 US\$	2020 Foreign currency in millions	2020 Weighted Average spot price	2020 US\$
Foreign currency						
Indian rupee	7,141.1	75.43	94,675,996	4,270.5	73.44	58,150,035

The table above has been updated in the current year to present a truer reflection by using the weighted average spot price instead of the average spot price.

Gains or losses arising from the movement in fair value of this FFEC are taken to the statement of comprehensive income.

Notes to the Accounts

15. Summary of significant accounting policies

Non-current assets

Investments

The Company classifies its equity investments as financial assets at fair value through profit and loss. Management determines the classification of its investments at initial recognition. Apart from loans and receivables, financial instruments are designated as fair value through profit and loss because the fair value of the investment portfolio is a key performance indicator for the Company.

Financial assets at fair value through profit and loss

These financial assets are designated as assets held at fair value through profit and loss by management at the date of inception. FFECs are also classified as held for trading in this category unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

The Company's fair value methodology has been derived using the International Private Equity and Venture Capital Valuation Guidelines. This methodology is applied to direct investments and investments held within funds. The approach to calculating the fair value is as follows:

- the enterprise value is determined for the investee company or fund using a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable assumptions and estimates;
- the enterprise value is adjusted for surplus assets or liabilities or any other relevant factor;
- higher ranking financial instruments are deducted taking into account any financial structuring that may dilute the investment holding;
- the net attributable enterprise value is apportioned between the financial instruments held according to their ranking; and
- the amounts derived are allocated according to the holding in each financial instrument, representing their fair value.

Valuation methodologies used are as follows:

- investments where fair value derives mainly from the underlying assets, such as funds managed by fund managers, are valued at net asset value using appropriate valuation measures for the underlying assets and liabilities;
- quoted equity is normally valued at the quoted share price. However, in certain circumstances the quoted price may be considered to not represent fair value for example: shares are closely held by related parties; the shares are very thinly traded and small trades lead to excessive volatility in quoted price; or substantial transactions occur at a price that is not the quoted price. Where this is considered the situation, an appropriate alternative methodology is used;
- realisations in process are valued at the expected realisation proceeds, although discounts are applied to reflect the level of certainty of the transaction completion;
- if there has been a recent investment in the company, the price of the recent investment, less any impairment charge, is considered to determine fair value;
- early-stage companies without positive cash flow or profit are valued using an appropriate industry benchmark if that gives a reliable estimate of fair value;
- companies with maintainable profits or cash flows are valued on an earnings basis using an appropriate earnings multiple from companies in similar sectors and markets;
- companies in industries with specific valuation metrics are valued using those specific valuation metrics where they provide the most reliable estimate of fair value;
- companies with no maintainable profits or cash flows at present, but whose cash flows can be forecast with confidence, are valued using future cash flows discounted at the appropriate risk-adjusted discount rate; and
- in exceptional cases, where fair value cannot be reliably measured, the investment is valued at the previous carrying value unless there is evidence of value impairment, in which case value is reduced to reflect the extent of estimated impairment.

Gains and losses realised on disposal or redemption, by reference to the valuation at the previous statement of financial position date and unrealised gains and losses from changes in the fair values of the equity portfolio are taken to the statement of comprehensive income.

The Company uses settlement date accounting when accounting for regular purchases or sales. When the Company becomes party to a sales contract of an equity investment, it de-recognises the asset on the day ownership is transferred. Any gains or losses arising on purchases between trade and settlement date are accounted for in the statement of comprehensive income.

Notes to the Accounts

Continued

15. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial liabilities

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, contractual obligations, to deliver cash or another financial asset to another entity are measured at amortised cost using the effective interest method.

Provisions, contingent liabilities and contingent assets

Provisions are recognised if there is a present obligation, whether legal or constructive, which has arisen as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability.

Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Interest is recognised as earned on an accrual basis, but is excluded if it becomes more than ninety days overdue. Advisory fee income is accounted for on an accruals basis unless collectability is in doubt.

Taxation

Income tax expense comprises current and deferred tax. Current tax is recognised as income or expense and is included in the net profit for the year, unless it relates to a transaction or event which is recognised directly in equity, whereupon the current tax is charged or credited to equity accordingly.

Current and deferred tax assets and liabilities are offset only when they arise from the same tax reporting Company and relate to the same tax authority and when the legal right to offset exists.

Current and deferred taxes are recognised as a tax credit or expense in the year in which they arise except for deferred taxes recognised or disposed of upon the acquisition or disposal of a subsidiary.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Basis of non-consolidation

The Company has acquired various investments including through its investment in its subsidiaries (as disclosed in Note 2). The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10 investment entities are required to hold subsidiaries at FVTPL rather than consolidate them. The subsidiaries are also investment entities and as detailed in Note 2, the Company values its investments at fair value. Other investments are managed by entities other than the Company, meaning that control of all investment decisions made by the funds, as well as the operating decisions, appointment and remuneration of the key management personnel and service providers lies with entities other than the Company.

IFRS 12 does not affect the amounts recognised in the financial statements but requires disclosures about judgements made by the Board to determine whether control exists and to require summarised information on the Company's investees. The assessment on the Company meeting the characteristics of an investment entity is disclosed in note 1.

Critical accounting judgments

The preparation of financial statements in accordance with IFRS requires management to exercise judgment in applying relevant accounting policies. The key areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the individual financial statements, is the investment entity status and the determination of fair value of financial assets. Please refer to notes 1 and 2 for more detail.

Notes to the Accounts

15. Summary of significant accounting policies (continued)

Sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the use of estimates. The key accounting estimates are the carrying value of our investment assets, which are stated at fair value.

Asset valuations for unquoted investments are inherently subjective, as they are made on the basis of assumptions which may not prove to be accurate such as discount rates and assumptions in expected cash flows.

New and revised IFRS Standards in issue but not yet effective

The accounting policies set out in these financial statements have been applied consistently to all periods presented.

The following standards are issued but not yet effective and have not been applied to these financial statements. The Company intends to adopt these standards when they become effective. These are not expected to have any material impact on the Company's financial statements:

- IFRS 17 Insurance Contracts. IFRS 17 applies to all types of insurance contracts regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard is currently effective from 1 January 2023.
- Amendments to IFRS 3 Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use.
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract.
- Amendments to IAS 1 Classification of liabilities as Current or Non-Current.
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Annual Improvements to IFRS Standards 2018-2020 Cycle.
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies.
- Amendments to IAS 8 – Definition of Accounting Estimates.
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

16. Subsequent Events

There have been no material events since the reporting period that would require adjustment to these financial statements. Events after the reporting period that would require adjustment to these financial statements are those that provide evidence of conditions that existed at 31 December 2021. Events after the reporting period that are indicative of conditions that arose after the reporting period do not lead to adjustment of the financial statements but are disclosed in the event that they are material.

In March 2022 and April 2022, the Company's investee, Ayana Renewable Power Private Limited (Ayana India), issued a total of 383,456,071 shares to existing and new shareholders. The Company did not participate in this share issue and consequently, the Company's shareholding in Ayana India was diluted from 32% to 26% as a result of the new subscription.

Russia's invasion of Ukraine in February 2022 has had wide-ranging repercussions for global security and macroeconomic stability. The Company does not have any direct exposure to Ukraine or Russia in its investment portfolio and no Company investments are at immediate risk of failure due to exposure to Russia or commodities.

It is expected that the ongoing geopolitical events will add pressure to the downside risks that were in existence prior to the invasion and that investment values will fall in 2022. However, in accordance with the requirements of IFRS, the fair valuations at the date of the consolidated statement of financial position reflect the economic positions in existence at that date. Any losses associated with these developments will be recognised in the 2022 financial statements. At present the extent of these potential losses cannot be reliably estimated.

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