

Crossridge Investments Limited

Office Copy (signed)

*Report and
financial
statements*

31 March 2020



Crossridge Investments Limited

Report and financial statements 31 March 2020

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Crossridge Investments Limited

Board of Directors and other officers

Board of Directors

Themis Themistocleous
Eleni Ierodiakonou
Stelios Loizou

Company Secretary

Calmco Secretarial Limited
21 Demostheni Severi Avenue
Anna Court - 5th Floor
CY-1080 Nicosia
Cyprus

Registered office

Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia
Cyprus



Independent Auditor's Report

To the Members of Crossridge Investments Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of parent company Crossridge Investments Limited (the "Company"), which presented in pages 5 to 30 and comprise the statement of financial position as at 31 March 2020, and the statements of comprehensive income, changes in equity and cash flows 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 give a true and fair view of the financial position of parent company Crossridge Investments Limited as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 2 in the financial statements, which indicates that the Company incurred a net loss of US\$675,272 during the year ended 31 March 2020 and, as of that date, the Company's current liabilities exceeded its current assets by US\$44,037,746. We further draw attention to Note 1 and 19 in the financial statements in which management has described the uncertainties related to the possible impact of the COVID-19 (corona) virus on the entity and its investees' operations, financial results and position. These events or conditions, along with other matters as set forth in Note 2, 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.

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Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines 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 Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' 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.
- 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 a true and fair view.

We communicate with the Board of 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Nicos S Stavrou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 16 November 2020

Crossridge Investments Limited

Statement of comprehensive income for the year ended 31 March 2020

| | Note | 2020 US\$ | 2019 US\$ |
|---|------|------------------|------------------|
| Administrative expenses | | | |
| Operating loss | 8 | <u>(79.370)</u> | <u>(63.581)</u> |
| | | (79.370) | (63.581) |
| Finance costs | | | |
| Loss before income tax | 9 | <u>(595.902)</u> | <u>(849.041)</u> |
| | | (675.272) | (912.622) |
| Income tax expense | | | |
| Loss and total comprehensive loss for the year | 10 | <u>-</u> | <u>-</u> |
| | | (675.272) | (912.622) |

The notes on pages 9 to 30 are an integral part of these financial statements.

Crossridge Investments Limited

Statement of financial position at 31 March 2020

| | Note | 2020 US\$ | 2019 US\$ |
|---|------|---------------------|---------------------|
| Assets | | | |
| Non-current assets | | | |
| Investment in subsidiary | 11 | 73,599.069 | 73,599.069 |
| Financial assets at fair value through profit or loss | 12 | <u>1</u> | <u>1</u> |
| | | 73,599.070 | 73,599.070 |
| Current assets | | | |
| Prepayments | 12 | 1.441 | 1.368 |
| Financial assets at amortised cost | | 15.000 | 15.000 |
| Tax refundable | | 1.058 | 23.942 |
| Cash and cash equivalents | 13 | <u>8.228</u> | <u>17.697</u> |
| | | 25.727 | 58.007 |
| | | 73,624.797 | 73,657.077 |
| Total assets | | | |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 14 | 13.141 | 13.141 |
| Share premium | 14 | 54,745.916 | 54,745.916 |
| Other reserves | 15 | 13,712.673 | 13,712.673 |
| Accumulated loss | | <u>(38,910.406)</u> | <u>(38,235.134)</u> |
| Total equity | | 29,561.324 | 30,236.596 |
| Current liabilities | | | |
| Payables | 17 | 499.004 | 496.561 |
| Borrowings | 16 | <u>43,564.469</u> | <u>42,923.920</u> |
| Total liabilities | | 44,063.473 | 43,420.481 |
| | | 73,624.797 | 73,657.077 |
| Total equity and liabilities | | | |

On 16 November 2020 the Board of Directors of Crossridge Investments Limited authorised these financial statements for issue.


Eleni Ierodiakonou, Director


Stelios Loizou, Director

The notes on pages 9 to 30 are an integral part of these financial statements.

Crossridge Investments Limited

Statement of changes in equity for the year ended 31 March 2020

| | Note | Share capital US\$ | Share premium US\$ | Other reserves US\$ | Accumulated loss US\$ | Total US\$ |
|--|------|--------------------------|--------------------------|---------------------------|-----------------------------|-------------------|
| Balance at 1 April 2018 | | <u>13.141</u> | <u>54.745.916</u> | <u>13.712.673</u> | <u>(37.727.920)</u> | <u>30.743.810</u> |
| Comprehensive loss | | | | | | |
| Loss for the year | | - | - | - | (912.622) | (912.622) |
| Transactions with owners | | | | | | |
| Waiver of balances | 13 | - | - | - | 405.408 | 405.408 |
| Balance at 31 March 2019/1 April 2019 | | <u>13.141</u> | <u>54.745.916</u> | <u>13.712.673</u> | <u>(38.235.134)</u> | <u>30.236.596</u> |
| Comprehensive loss | | | | | | |
| Loss for the year | | - | - | - | (675.272) | (675.272) |
| Balance at 31 March 2020 | | <u>13.141</u> | <u>54.745.916</u> | <u>13.712.673</u> | <u>(38.910.406)</u> | <u>29.561.324</u> |

The notes on pages 9 to 30 are an integral part of these financial statements.

Crossridge Investments Limited

Statement of cash flows for the year ended 31 March 2020

| | Note | 2020 US\$ | 2019 US\$ |
|---|---------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Loss before income tax | | (675,272) | (912,622) |
| Adjustments for: | | | |
| Interest expense | 9 | <u>595,167</u> | <u>850,218</u> |
| | | (80,105) | (62,404) |
| Changes in working capital: | | | |
| Prepayments | | 22,957 | (1,368) |
| Receivables | | - | 4,729 |
| Payables | | <u>2,443</u> | <u>(29,283)</u> |
| | | (54,705) | (88,326) |
| Cash used in operations | | | |
| Cash flows from financing activities | | | |
| | | (26,643,603) | (13,615,681) |
| Repayments of bank borrowings | | 20,000,000 | 4,500,000 |
| Proceeds from bank borrowings | 18(iii) | 6,700,000 | 9,290,000 |
| Proceeds from borrowings from related parties | 18(iii) | <u>(11,161)</u> | <u>(84,738)</u> |
| Repayments from borrowings from related parties | | 45,236 | 89,581 |
| Net cash from financing activities | | (9,469) | 1,255 |
| Net (decrease)/increase in cash and cash equivalents | | <u>17,697</u> | <u>16,442</u> |
| Cash and cash equivalents at beginning of year | | <u>8,228</u> | <u>17,697</u> |
| Cash and cash equivalents at end of year | 13 | | |

The non-cash transactions are described in Note 13 of the financial statements.

The notes on pages 9 to 30 are an integral part of these financial statements.

Crossridge Investments Limited

Notes to the financial statements

1 General information

Country of Incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is the holding of investments, including any interest earning activities.

Operating environment

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2019 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these financial statements are set out below in Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiary do not constitute a large sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2020.

Crossridge Investments Limited

2 Basis of preparation (continued)

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Going concern

In assessing the Company's status as a going concern the Directors considered the current intentions and financial position of the Company. The Company incurred a net loss amounting to US\$675.272 (2019: US\$912.622) during the year ended 31 March 2020, and as at that date, its current liabilities exceeded its current assets by US\$44.037.746 (2019: US\$43.362.474). In addition the Company's Investees' financial position and operations could be impacted by COVID-19 pandemic (Note 19). Although these conditions indicate that there is material uncertainty which may cast significant doubt on the ability of the Company to continue as a going concern, the Directors have considered a letter of support obtained from GMR Enterprises Private Ltd, the Company's ultimate parent company.

The ultimate parent company has undertaken to provide the Company, if necessary, with financial and other support so as to enable the Company to conduct its operations and meet its obligations as they become due. In addition, the bank borrowings have been extended up to 14 August 2021 providing further liquidity cushion to the Company. The Directors therefore consider that the Company will continue as a going concern and that the financial statements are appropriately prepared on a going concern basis.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 April 2019. This adoption did not have a material effect on the accounting policies of the Company.

4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in US dollars (US\$), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All financial assets are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the below measurement category:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents and financial assets at amortised cost.

Equity instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in profit or loss in the statement of comprehensive income as applicable.

Financial assets – impairment – credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'net impairment losses on financial assets'.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL.

For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 6, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Transactions with equity owners/subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognised through the profit or loss in accordance with IFRS9, 'Financial Instruments'.

Share capital and share premium

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Crossridge Investments Limited

4 Summary of significant accounting policies (continued)

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Other prepayments are written off to profit or loss when the services relating to the prepayments are received. If there is an indication that the assets, services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in the income statement.

Financial Liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2019, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.
- Amendments to IAS 1 and IAS 8: Definition of materiality (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020). The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Company is currently assessing the impact of the amendments on its financial statements and as of the date of issue of these financial statements the impact of the amendments is not known/ or reasonably estimable.

Crossridge Investments Limited

6 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

• Market risk

Foreign exchange risk

Exposure

The foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising primarily with respect to the Euro denominated financial instruments but as these are insignificant, no sensitivity analysis has been prepared in view of its immateriality. The management does not have any policies for managing foreign exchange risk.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Company has no exposure to fair value interest rate risk as its principal interest-bearing financial instrument (borrowings) are measured at amortised cost. The borrowings expose the Company to cash flow interest rate risk.

Sensitivity

At 31 March 2020, if interest rates on US dollar-denominated borrowings had been 0,1% (2019: 0,1%) higher/lower with all other variables held constant, post-tax result for the year would have been US\$12.297 (2019: US\$17.589) lower/higher, mainly as a result of higher/lower interest expense on borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

• Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to outstanding receivables.

(i) Risk management

For banks and financial institutions, only independently rated parties with a sound financial position or which are assessed by the management as of high credit quality are accepted.

The Company does not have formal policies and procedures for managing and monitoring credit risk

(ii) Impairment of financial assets

- financial assets at amortised cost (receivables from related parties)

Crossridge Investments Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**
- cash and cash equivalent

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For all financial assets that are subject to impairment under IFRS 9, the Company applies general approach – three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter (“12 Months ECL”). If the Company identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any (“Lifetime ECL”). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. Impairment losses are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Crossridge Investments Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Credit risk (continued)

- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower/counterparty.

Default. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. also the Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company does not have any material debt financial assets that are subject to the impairment requirements of IFRS 9 and their contractual cash flows have been modified.

The Company's exposure to credit risk for each class of asset subject to the expected credit loss model is set out below:

Financial assets at amortised cost

The Company assesses, on an individual basis, its exposure to credit risk arising from financial assets at amortised cost. This assessment takes into account, amongst others, the period the receivables balance is past due (in days) and history of defaults in the past, adjusted for forward looking information. The Company uses three categories for receivables and cash and cash equivalents which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit rating companies, such as Standard and Poor, Moody's and Fitch.

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

| Category | Company definition of category | Basis for recognition of expected credit loss provision | Basis for calculation of interest revenue |
|------------|--|---|---|
| Performing | Counterparties where credit risk is in line with original expectations | Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. | Gross carrying amount |

Crossridge Investments Limited

6 Financial risk management (continued)

(I) Financial risk factors (continued)

• Credit risk (continued)

| | | | |
|-----------------|--|-----------------------------------|--|
| Underperforming | Counterparties for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail) | Stage 2: Lifetime expected losses | Gross carrying amount |
| Non-performing | Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy | Stage 3: Lifetime expected losses | Amortised cost carrying amount (net of credit allowance) |

The following tables contains an analysis of the credit risk exposure of each class of financial instruments.

Receivables from related parties

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2020 and 31 March 2019. The Company does not hold any collateral as security for the receivable balances.

Company Internal credit rating

| | 2020 US\$ | 2019 US\$ |
|---|---------------|---------------|
| Performing - Stage 1 | 15,000 | 15,000 |
| Total receivables to related parties | 15,000 | 15,000 |

No credit loss allowance was recognized in respect of receivables as of 31 March 2020 and 31 March 2019 as the management believes the ECL calculated will be immaterial.

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 March 2020 and 31 March 2019:

| | External credit rating US\$ | 2020 US\$ | 2019 US\$ |
|--|-----------------------------------|--------------|---------------|
| Performing - Stage 1 | Caa1(2019: Caa2) | 8,228 | 17,697 |
| Total cash and cash equivalents | | 8,228 | 17,697 |

Crossridge Investments Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

• Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the objective of minimising such losses such as maintaining sufficient cash and other high liquid current assets and by having available, an adequate amount of committed credit facilities.

| | |
|------------------|-----------------------------|
| | Less than 1 year US\$ |
| At 31 March 2019 | |
| Borrowings | 42,923,920 |
| Payables | <u>496,561</u> |
| | <u>43,420,481</u> |
| | Less than 1 year US\$ |
| At 31 March 2020 | |
| Borrowings | 43,564,469 |
| Payables | <u>499,004</u> |
| | <u>44,063,473</u> |

(ii) Capital risk management

The Company considers equity as shown on the face of statement of financial position as capital. The Company's borrowings are guaranteed by common control entities. The Company does not have formal policies and procedures for capital risk management.

7 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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7 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Note 6 Credit risk section.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(ii) Critical judgements in applying the Company's accounting policies

- **Impairment of investment in subsidiary**

The Company applies the guidance of IAS 36 for subsidiaries in determining when an investment is impaired. This determination requires significant judgement. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. On 1 September 2020 the Board of Directors of the subsidiary resolved to put the subsidiary into voluntary liquidation however it was concluded that no impairment charges were warranted as at year end based on the net assets that will be allocated to the Company on dissolution.

- **Related party balances/transactions**

In the normal course of business the Company enters into transactions with its related parties. IFRS9 requires initial recognition of financial instruments based on their fair values. Pricing policies and terms of these transactions are approved by management. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analyses. Terms and conditions of related party balances and transactions are presented in Note 18.

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7 Critical accounting estimates and judgements (continued)

(ii) Critical judgements in applying the Company's accounting policies (continued)

- **Fair value determination for financial asset at fair through profit or loss**

The Company follows the guidance of IFRS9/IFRS13 in determining the fair value of its financial asset at fair value through profit or loss. The investment that the Company maintains as at year end and classified as financial asset at fair value through profit or loss represents a 5% redeemable non-cumulative preference shares in GMR Holding (Malta) Limited redeemable at the option of the issuer. The management assessed in prior years that the investment's fair value was best represented by its purchase cost and that there was no basis for determining a more reliable fair value estimate given the potential variability in estimates of fair values for such private entity type of investee. During the prior and current year the management evaluated the financial position of the investee, by reference primarily to its reported financial information/management accounts which showed a net liability position and in view of its assessed adverse condition it concluded the investment should be presented at the nominal value of US\$1.

8 Administrative expenses

| | 2020 US\$ | 2019 US\$ |
|---|---------------|---------------|
| Auditors' remuneration | 11,022 | 11,216 |
| Auditors' remuneration - over provision on prior year | - | (240) |
| Bank charges | 4,747 | 6,803 |
| Professional fees | 30,676 | 43,376 |
| Directors' fees | 737 | 730 |
| Other expenses | 1,994 | 1,696 |
| Unrecoverable vat | 30,194 | - |
| Total administrative expenses | 79,370 | 63,581 |

9 Finance costs

| | 2020 US\$ | 2019 US\$ |
|----------------------------------|----------------|----------------|
| Interest expense: | | |
| Bank borrowings | 595,167 | 850,218 |
| | 735 | (1,177) |
| Net foreign exchange loss/(gain) | | |
| Total finance costs | 595,902 | 849,041 |

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10 Income tax expense

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

| | 2020 US\$ | 2019 US\$ |
|---|------------------|------------------|
| Loss before tax | <u>(675,272)</u> | <u>(912,622)</u> |
| Tax calculated at the applicable corporation tax rate of 12,5% | (84,409) | (114,078) |
| Tax effect of expenses not deductible for tax purposes | 24,355 | 33,720 |
| Tax effect of allowances and income not subject to tax | - | (147) |
| Tax effect of tax losses for which no deferred tax asset was recognised | <u>60,054</u> | <u>80,505</u> |
| Income tax charge | <u>-</u> | <u>-</u> |

The Company is subject to income tax on taxable profits at the rate of 12,5%.

Brought forward losses of only five years may be utilised.

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In certain cases dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

11 Investment in subsidiary

| | 2020 US\$ | 2019 US\$ |
|------------------------------|-------------------|-------------------|
| At beginning/end of year (1) | <u>73,599,069</u> | <u>73,599,069</u> |

The Company's interest in its subsidiary, which is unlisted, is as follows:

| Name | Principal activity | Country of incorporation | 2020 % holding | 2019 % holding |
|---------------------------|----------------------|-----------------------------|-------------------|-------------------|
| Interzone Capital Limited | Financing activities | British Virgin Islands | 100 | 100 |

(1) On 1 September 2020 the Board of Directors of Interzone Capital Limited resolved their intention to put the subsidiary into voluntary dissolution by the end of the year 2020. Based on the distributions that will be made available to the Company it was considered that the carrying amount of the subsidiary as at year end is considered recoverable.

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12 Financial assets

(a) Financial assets at amortised cost

Financial assets at amortised cost include the following debt investments:

| | 2020 US\$ | 2019 US\$ |
|--|---------------|---------------|
| Current | | |
| Receivables from related parties (Note 18(ii)) | 15,000 | 15,000 |
| Financial assets at amortised cost - net | <u>15,000</u> | <u>15,000</u> |

Due to short-term nature of the current financial assets at amortised cost, their carrying amount is considered to be same as their fair value.

The carrying amounts of the Company's financial assets at amortised cost are denominated in US Dollars.

Note 6 sets out information about the impairment of financial assets and the Company's exposure to credit risk.

(b) Financial assets at fair value through profit or loss

Financial assets measured at FVTPL include the following:

| | 2020 US\$ | 2019 US\$ |
|---|--------------|--------------|
| <u>Fair value through profit or loss are analysed as follows:</u> | | |
| 5% redeemable non-cumulative preference shares in GMR Holding (Malta) | 1 | 1 |
| Limited, redeemable at the option of the issuer. | <u>1</u> | <u>1</u> |

Further to the resolution to proceed with the merger of GMR Holding (Malta) Ltd and GMR Infrastructure (Malta) Ltd, it was also resolved on 25 November 2016 to approve the amendment of the Memorandum and Articles of GMR Holding (Malta) Ltd to include the redemption date of the redeemable non-cumulative shares on 31 December 2018. During 2019 the redemption date of the redeemable non-cumulative shares was renewed to 31 December 2023.

In the current and prior year, no changes on the financial assets at fair value through profit or loss were recorded, as management's assessment regarding the financial position and outlook of the investee remained consistent to prior year. In particular, management evaluated the financial position of the investee and it concluded that its fair value should remain at the nominal value of US\$1 consistently with prior year.

Fair value through profit or loss financial asset is denominated in US Dollars.

13 Cash and cash equivalents

| | 2020 US\$ | 2019 US\$ |
|--------------|--------------|---------------|
| Cash at bank | <u>8,228</u> | <u>17,697</u> |

Crossridge Investments Limited

13 Cash and cash equivalents (continued)

Cash and bank balances are denominated in the following currencies:

| | 2020 US\$ | 2019 US\$ |
|--|--------------|---------------|
| Euro | 1,388 | 5,126 |
| US Dollar - functional and presentation currency | <u>6,840</u> | <u>12,571</u> |
| | <u>8,228</u> | <u>17,697</u> |

Principal non-cash interesting and financing transactions

On 31 December 2018, the amount of US\$405,408 due to GMR Energy (Cyprus) Ltd, a company under common control, was waived and recognised directly in retained earnings as a transaction with owner.

Reconciliation of liabilities arising from financing activities:

| | Bank Borrowings | Loans from related parties | Total liabilities from financing activities |
|-------------------------------|--------------------|----------------------------------|---|
| Opening Balance 1 April 2019 | 20,101,807 | 22,822,113 | 42,923,920 |
| Cash flows: | | | |
| Proceeds from borrowings | 21,000,000 | 6,700,000 | 27,700,000 |
| Repayment of principal | (27,643,457) | (11,161) | (27,654,618) |
| Non-cash changes: | | | |
| Interest charged | <u>595,167</u> | <u>-</u> | <u>595,167</u> |
| Closing Balance 31 March 2020 | 14,053,517 | 29,510,952 | 43,564,469 |

| | Bank Borrowings | Loans from related parties | Total liabilities from financing activities |
|---------------------------------|--------------------|----------------------------------|---|
| Opening Balance at 1 April 2018 | 28,367,270 | 14,022,259 | 42,389,529 |
| Cash flows: | | | |
| Proceeds from borrowings | 4,500,000 | 9,290,000 | 13,790,000 |
| Repayment of principal | (13,615,681) | (84,738) | (13,700,419) |
| Non-cash changes: | | | |
| Interest charged | 850,218 | - | 850,218 |
| Waiver of balances | <u>-</u> | <u>(405,408)</u> | <u>(405,408)</u> |
| Closing Balance 31 March 2019 | 20,101,807 | 22,822,113 | 42,923,920 |

14 Share capital and share premium

| | Number of shares | Share capital US\$ | Share premium US\$ | Total US\$ |
|---|---------------------|--------------------------|--------------------------|-------------------|
| At 1 April 2018 | <u>9,000</u> | <u>13,141</u> | <u>54,745,916</u> | <u>54,759,057</u> |
| At 31 March 2019/1 April 2019/31 March 2020 | <u>9,000</u> | <u>13,141</u> | <u>54,745,916</u> | <u>54,759,057</u> |

The Company's authorized share capital is 10,000 shares with a par value of €1 per share.

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15 Other reserves

| | Currency translation adjustments US\$ |
|---|--|
| At 31 March 2019/1 April 2019/31 March 2020 | <u>13,712.673</u> |

As a result of the share premium reduction on 19 February 2014, the amount of \$13,712.673 was transferred to the currency translation reserve.

16 Borrowings

| | 2020 US\$ | 2019 US\$ |
|---|--------------------------|--------------------------|
| Current | | |
| Bank borrowings | <u>14,053,517</u> | 20,101,807 |
| Borrowing from related parties (Note 18(iii)) | <u>29,510,952</u> | <u>22,822,113</u> |
| Total borrowings | <u>43,564,469</u> | <u>42,923,920</u> |

The bank borrowings as at 31 March 2020 and 2019 were secured by guarantees given by common control entities.

On 7 August 2017 bank borrowings were renegotiated and the credit limit decreased from US\$50,000,000 to US\$40,000,000 bearing interest of LIBOR + Margin 1,30% and duration was extended up to 14 August 2018. During 2018 the bank borrowings duration was extended up to 14 February 2020. Further during the year 2020, the credit limit decreased from US\$40,000,000 to US\$18,000,000 and the duration was later extended up to 16 November 2020. On 30 July 2020, the credit limit was reduced to US\$5,000,000 and its duration was further extended until 14 August 2021.

On 24 August 2017 the Company entered into a loan agreement with its subsidiary, Interzone Capital Limited, as the lender for the principal amount of US\$30,000,000. The loan is interest free and is repayable on demand. As at 31 March 2020, US\$29,510,952 were drawn down in relation to the above agreement.

On 1 February 2011, the Company entered into a loan agreement with GMR Energy (Cyprus) Ltd, a related party, for the principal amount of US\$2,500,000. The loan initially carried interest at the rate of 0,5% p.a. however the interest was suspended on 1 April 2014. The carrying amount of the principal and interest as at 31 March 2018 was US\$405,408 and was repayable on 31 March 2019. On 31 December 2018, the amount of US\$405,408 due to GMR Energy (Cyprus) Ltd was waived and recognised directly in retained earnings as a transaction with owner.

The weighted average effective interest rates at the statement of financial position date were as follows:

| | 2020 % | 2019 % |
|--|-------------|-----------|
| Bank borrowings | 3,49 | 3,51 |
| Borrowings from related parties (Note 18(iii)) | 0 | 0 |

Crossridge Investments Limited

16 Borrowings (continued)

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

| | 2020 US\$ | 2019 US\$ |
|------------------|-------------------|-------------------|
| 6 months or less | <u>43,564,469</u> | <u>42,923,920</u> |

The carrying amounts of the Company's borrowings are denominated in the following currencies:

| | 2020 US\$ | 2019 US\$ |
|-----------|-------------------|-------------------|
| US Dollar | <u>43,564,469</u> | <u>42,923,920</u> |

17 Payables

| | 2020 US\$ | 2019 US\$ |
|--|----------------|----------------|
| Other payables | | |
| Accrued expenses | 482,410 | 485,345 |
| | <u>16,594</u> | <u>11,216</u> |
| Total financial payables within payables at amortised cost | <u>499,004</u> | <u>496,561</u> |

The fair value of payables which are due within one year approximates their carrying amount at the reporting date.

18 Related party transactions

The Company is controlled by GMR Holdings (Mauritius) Limited, incorporated in Mauritius, which owns 100% of the Company's shares. The ultimate controlling Company is GMR Enterprise Private Ltd. The Company's ultimate beneficial owners are the members of the GMR Trusts, namely Srinivas Bommidala and Ramadevi Trust, Grandhi Varalakshmi Mallikarjuna Rao Trust, Grandhi BuchiSanyasi Raju and SatyavanthiSmitha Trust, Grandhi Kiran Kumar and Ragini Trust and GMR Family Fund Trust.

The following transactions were carried out with related parties:

(i) Directors' remuneration

The total remuneration of the Directors was as follows:

| | 2020 US\$ | 2019 US\$ |
|--------------------------|--------------|--------------|
| Director's fees (Note 8) | <u>737</u> | <u>730</u> |

(ii) Year-end balances

| | 2020 US\$ | 2019 US\$ |
|--|---------------|---------------|
| Receivable from related parties (Note 12) | | |
| GMR Infrastructure (Malta) Limited (Common control entity) | <u>15,000</u> | <u>15,000</u> |

Crossridge Investments Limited

18 Related party transactions (continued)

(iii) Loans from related parties

| | 2020 US\$ | 2019 US\$ |
|---|-------------------|-------------------|
| Borrowings from subsidiary: | | |
| At the beginning of year | 22,822,113 | 13,616,851 |
| Loans advanced during year | 6,700,000 | 9,290,000 |
| Loans repaid during the year | (11,161) | (84,738) |
| At end of year (Note 16) | <u>29,510,952</u> | <u>22,822,113</u> |
| Borrowings from related parties (companies under common control): | | |
| At beginning of year | - | 405,408 |
| Waiver of balances | - | (405,408) |
| At end of year (Note 16) | <u>-</u> | <u>-</u> |

The borrowings from subsidiary are unsecured, bear zero interest and are repayable on demand.

19 Events after the reporting date

The Board of Directors of the Company's subsidiary Interzone Capital Limited has an intention to put the company into voluntary dissolution by the end of the year 2020.

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for additional measures in case the period of disruption becomes prolonged.

There were no other material events after the reporting date which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 2 to 4.