GMR INFRASTRUCTURE (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR YEAR ENDED

31 DECEMBER 2019

CONTENTS	PAGES

			Date of appointment
DIRECTORS	:	Nousrath Begum Bhugeloo	18 December 2007
		Devananda Naraidoo	20 March 2013
		Rishikesh Batoosam (*Alternate to Nousrath Begum Bhugeloo*)	20 May 2016
		Tummalapalli, Srinivasa Subrahmanya Veerabhadra Lakshminarayana	23 September 2016
		Rishikesh Batoosam (*Alternate to Devananda Naraidoo*)	06 December 2016
		Diwan Prakash Kumar (Alternate *to Tummalapalli, Srinivasa Subrahmanya Veerabhadra Lakshminarayana)*	08 May 2017
		Ravela Sri Satya Lakshmi Narasimha Bhaskarudu	27 May 2019

ADMINISTRATOR AND SECRETARY :

Ocorian Corporate Services Limited
6th Floor, Tower A
1 CyberCity
Ebène
Republic of Mauritius

REGISTERED OFFICE :

6th Floor, Tower A
1 CyberCity
Ebène
Republic of Mauritius

AUDITOR :

RSM Mauritius
Chartered Accountants
109, Moka Business Centre
Mount Ory Road, Bon Air
Moka
Republic of Mauritius

BANKERS **:**

AfrAsia Bank Limited
Bowen Square
10, Dr Ferriere Street
Port Louis
Republic of Mauritius

ICICI Bank
One Thomas More Square
London
E1W 1YN

Mirabaud (Middle East) Limited
24th Floor, North Tower,
Emirates Financial Towers
DIFC
PO Box 506666
Dubai
UAE

The directors are pleased to present their commentary together with the audited financial statements of GMR Infrastructure (Mauritius) Limited ("the Company") for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 December 2019 is **USD 14,529,355** (For the period from 01 April 2018 to 31 December 2018:USD 11,340,476).

The directors do not recommend the payment of dividends for the year under review (For the period from 01 April 2018 to 31 December 2018: USD Nil)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards, as modified by the exemption provided by the Mauritius Companies Act 2001, have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. 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 have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITOR

The auditor, RSM Mauritius, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

DocuSigned by:

NISHA PROAG-DOOKUN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

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SECRETARY'S CERTIFICATE
TO THE MEMBER OF GMR INFRASTRUCTURE (MAURITIUS) LTD

Under section 166 (d) of the Companies Act 2001

We confirm, as Secretary of GMR Infrastructure (Mauritius) Ltd, that based on records and information made available to us by the directors and sole shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 December 2019, all such returns as are required of the Company under the Mauritius Companies Act 2001.

DocuSigned by:

NISHA PROAG-DOOKUN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

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Ocorian Corporate Services (Mauritius) Limited
Corporate Secretary

Date: 14 April 2020

	Notes	For the year ended 31 December 2019 USD	For the period from 01 April 2018 to 31 December 2018 USD
INCOME			
Exchange gain (net)		**10**	56,572
Gain on fair valuation of financial assets at fair value through profit or loss	5	**157,563**	234,210
Gain on disposal of financial assets at fair value through profit or loss		**2,647**	30,362
Dividend income		-	17,547,912
Reversal of impairment	15(a)	**14,562,000**	-
		14,722,220	17,869,056
EXPENSES			
Other professional fees		**1,575**	13,160
Secretarial and administration fees		**18,684**	18,783
Audit fees		**6,240**	6,210
Accountancy fees		**5,200**	(3,467)
Directors' fees		**2,400**	491
Licence and registration fees		**2,200**	1,576
Tax fees		**1,200**	(804)
Rental expense		**5,374**	4,451
Legal fees		-	5,930
Custody fees		**60,357**	70,920
Impairment of financial assets	8	-	27,518,000
		103,230	(27,635,250)
OPERATING GAIN /(LOSS)		**14,618,990**	(9,766,194)
Finance cost	3	**(89,635)**	(1,459,157)
PROFIT/(LOSS) BEFORE INCOME TAX		**14,529,355**	(11,225,351)
Income tax expense	14	-	(115,125)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		**14,529,355**	(11,340,476)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		**14,529,355**	(11,340,476)

The notes on pages 12 to 35 form an integral part of these financial statements.

	Notes	2019 USD	2018 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	4	**120,815,019**	120,814,700
Financial assets at fair value through profit or loss	5	**22,474,155**	22,988,945
Total non-current assets		**143,289,174**	143,803,645
Current assets			
Deposit on shares	7	**57,883,900**	52,775,900
Other non-financial assets	6	**2,400**	**2,490**
Financial assets at amortised cost	8	**2,090,000**	**-**
Cash and cash equivalents	9	**7,112**	37,216
Total current assets		**59,983,412**	52,815,606
Total assets		**203,272,586**	196,619,251
EQUITY AND LIABILITIES			
Stated capital	10	**320,550,001**	320,550,001
Other equity	11	**(221,648,574)**	(221,648,574)
Retained earnings		**24,921,121**	10,391,766
Total equity		**123,822,548**	109,293,193
Non-current liabilities			
Loans payable	12	**712,231**	2,064,319
Current liabilities			
Loans payable	12	**78,610,427**	84,324,247
Accounts payable	13	**12,255**	822,367
Income tax liability	14	**115,125**	115,125
Total current liabilities		**78,737,807**	85,261,739
Total liabilities		**79,450,038**	87,326,058
Total equity and liabilities		**203,272,586**	196,619,251

Authorised for issue by the Board of directors on
and signed on its behalf by

Director Nousrath Bhugeloo

DocuSigned by:
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Director Devananda Naraidoo

The notes on pages 12 to 35 form an integral part of these financial statements.

	Stated capital USD	Other equity USD	Retained earnings USD	Total equity USD
As at 01 April 2018	320,550,001	-	21,732,242	342,282,243
Acquisition of treasury shares	-	(221,648,574)	-	(221,648,574)
Loss for the period	-	-	(11,340,476)	(11,340,476)
At 31 December 2018	320,550,001	(221,648,574)	10,391,766	109,293,193
Profit for the year	-	-	**14,529,355**	**14,529,355**
At 31 December 2019	**320,550,001**	**(221,648,574)**	**24,921,121**	**123,822,548**

The notes on pages 12 to 35 form an integral part of these financial statements.

	For the year ended 31 December 2019	For the period from 01 April 2018 to 31 December 2018
Cash flows from operating activities	**USD**	USD
Profit/(loss) before income tax	**14,529,355**	(11,225,351)
Adjustment for:		
Finance cost	**87,185**	1,454,106
Gain on fair valuation of financial assets at fair value through profit or loss	**(157,563)**	(234,210)
Gain on disposal of financial assets at fair value through profit or loss	**(2,647)**	(30,362)
Dividend income	-	(17,547,912)
Impairment of financial assets	-	27,518,000
Unrealised foreign exchange gain	**(10)**	-
Reversal of impairment	**(2,090,000)**	-
Operating profit from /(used in) operations before working capital changes	**12,366,320**	(65,729)
Increase in prepayments	**(548)**	(524)
Decrease in accruals	**(10,112)**	(48,481)
Net cash generated from/(used in) operating activities	**12,355,660**	(114,734)
Cash flows from investing activities		
Acquisition of investment in subsidiaries	**(319)**	-
Disposal proceeds from sale of financial assets at fair value through profit or loss	**675,000**	6,500,000
(Increase)/decrease in deposit on shares	**(5,108,000)**	239,972,606
Dividend income received	-	17,547,912
Rental deposit	**(627)**	-
Refund of rental deposit	**1,265**	
Net cash (used in)/generated from investing activities	**(4,432,681)**	264,020,518
Cash flows from financing activities		
Proceeds from borrowings	**700,000**	9,070,000
Repayment of borrowings	**(7,544,301)**	(47,812,521)
Interest and finance charges paid	**(308,792)**	(3,363,762)
Amount due to affiliate repaid	**(802,530)**	(200,000)
Share buyback	-	(221,648,574)
Advance from affiliate	**2,530**	-
Net cash flow used in financing activities	**(7,953,093)**	(263,954,857)
Net decrease in cash and cash equivalents	**(30,114)**	(49,073)
Cash and cash equivalents at beginning of the year/period	**37,216**	86,289
Effects of exchange rate changes on cash and cash equivalents	**10**	-
Cash and cash equivalents at end of the year/period	**7,112**	37,216

The notes on pages 12 to 35 form an integral part of these financial statements.

1. GENERAL INFORMATION

GMR Infrastructure (Mauritius) Limited (the "Company") is a private limited company incorporated on 18 December 2007 and domiciled in the Republic of Mauritius, holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is 6th Floor, Tower A, 1 CyberCity, Ebène, Republic of Mauritius.

The principal activity of the Company is investment holding and provision of advisory, support and technical services relating to projects of the GMR Group and trading of commodities such as coal and steel in the international market at a mark-up.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Basis of presentation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS"),IFRIC interpretations and Mauritius Companies Act 2001. The Company has claimed exemption from preparing group financial statements as per the fourteenth schedule, paragraph 12 of the Mauritius Companies Act 2001 when it is the subsidiary of any Company. The financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss which are measured at fair value.

The preparation of financial statements in conformity with IFRS as modified by Mauritius Companies Act 2001 requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement 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 described below:

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. 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.

Significant accounting judgements, estimates and assumptions

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described above, the directors have considered those factors therein and have determined that the functional currency of the company is the USD.

Going concern

The Company has a net current liability of **USD 18,754,395** (2018: USD 32,446,133). The Company has received a letter of support from its holding company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

In light of the COVID19, management has made an assessment in respect of the entity's going concern and concluded that there is no issue for which the Company will no longer be a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgements, estimates and assumptions (continued)

Fair valuation of unquoted investments

Fair valuation of unquoted investments is the key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment in the carrying value of investments.

Fair values of unquoted investments such as FVPL are determined by using Mirabaud bank statements.

Impairment assessment

The directors have assessed the carrying value of the investments in the subsidiaries at 31 December 2019 as detailed in Note 4. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

(ii) Changes in accounting policy and disclosures

New and amended standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2019.

The nature and the impact of each new standard or amendment relevant to the Company are described below:

IFRIC 23 Uncertainty over Income Tax Treatment

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:
judgements made;
assumptions and other estimates used; and
the potential impact of uncertainties that are not reflected.

New Standards, amendments and interpretations issued but not yet effective

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the new standards, amendments and interpretations to standards are expected to have a significant impact on the Company's financial statements:

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence 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 amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Current and deferred income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Current versus non-current classification (continued)

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Investment in subsidiaries

A subsidiary is an entity (including special purpose 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 shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned subsidiary of any company and holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group. The financial statements are for the Company only and do not consolidate the results of its subsidiary. The Company is a wholly owned subsidiary of GMR Infrastructure Limited, a company listed on the Stock Exchange of India who prepares consolidated financial statements in accordance with Indian GAAP.

Financial instruments

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

Financial assets

(a) Classification and initial measurement

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(a) Classification and initial measurement (continued)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) Subsequent measurement

(i) Equity instruments

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

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

Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Company's financial assets at FVPL include investments held in Capital Emerging Markets Bond Fund, Illya Multi- Sector Strategy Fund and Star Emerging Asia Fixed Income Fund.

(ii) Debt instruments

There is only one measurement category into which the Company classifies its debt instruments which includes financial assets at amortised cost:

- *Financial assets at 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(b) Subsequent measurement (continued)

(ii) Debt instruments (continued)

- *Financial assets at amortised cost (continued)*

The Company's financial assets at amortised cost includes loan to related party and cash and cash equivalents which are subsequently measured as follows:

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Loan to related parties

Loan to related party are the contractual amounts for the settlement of other obligations due to the Company. It is initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(c) *Impairment*

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For further details on impairment of financial assets, see note 16 (b).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(d) *Derecognition*

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include loans payable and accounts payable.

(b) Subsequent measurement

(i) Loan payable

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans payable. For more information, refer to Note 12.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

(b) Subsequent measurement

(ii) Accounts payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and accounts payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss.

Stated capital

Ordinary shares are classified as equity.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised using the effective interest method.

Expenses recognition

Expenses are accounted for in profit or loss on the accruals basis.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

3. FINANCE COST

	2019	2018
	USD	USD
Interest on loan payable (Note 15(b)(i),(ii),(iii))	**87,185**	1,454,106
Bank charges	**2,450**	5,051
	89,635	1,459,157

4. INVESTMENTS IN SUBSIDIARIES

	2019	2018
	USD	USD
Unquoted investments at cost:		
At beginning of the year/period	**120,814,700**	120,814,700
Acquired during the year/period	**319**	-
At end of the year/period	**120,815,019**	120,814,700

4. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company held investments in the following companies:

Name of subsidiaries	% Holding	Country of incorporation	Class of shares	Nature of business	**2019 USD**	**2018 USD**
GMR Infrastructure (Singapore) Pte. Limited	100% (2018: 99.9%)	Republic of Singapore	Ordinary	Investment holding	**120,815,018**	120,814,700
GADL International Limited	100 % (2018: Nil)	Isle of Man	Ordinary	Contractor Design & Development of airports	**1**	-
					120,815,019	120,814,700

Pursuant to the share purchase agreement dated 04 November 2019, the Company has acquired additional shares of **USD 318** in GMR Infrastructure (Singapore) Pte Ltd from GMR Infrastructure (UK) Limited.

Pursuant to the share purchase agreement dated 21 May 2019, the Company has acquired shares of **USD 1** in GADL International Limited from GMR (Mauritius) Limited.

The directors have assessed that the recoverable amounts of all the other investments approximate their carrying values at the reporting date.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 USD	2018 USD
At start of the year/period	**22,988,945**	29,224,373
Disposed during the year/period	**(672,353)**	(6,469,638)
Fair value adjustment at end of the year/period	**157,563**	234,210
At end of the year/period	**22,474,155**	22,988,945

	Fair value	
Name of funds	**2019 USD**	2018 USD
Harrington Cap Em Mkts	**10,951,062**	10,951,062
Ilya Fund Multisector	**4,655,224**	5,314,854
Grove Star Emer. Asia Fix.Inc	**6,867,869**	6,723,029
	22,474,155	22,988,945

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The valuation of the above funds has been estimated based on the portfolio valuation statement as at 31 December 2019 as provided by Mirabaud (Middle East) Limited. The directors have relied on the statement to estimate the value of the above investments and are of opinion that the reported balance at 31 December 2019 of **USD 22,474,155** (2018: USD 22,988,945) fairly reflects the market value of these investments.

The following investments were disposed during the year under review:

Name of funds	Number of units	Fair value	Disposal Proceeds	Gain /(Loss)
Ilya Fund Multisector	**6,250**	**672,353**	**675,000**	**2,647**

6. OTHER NON- FINANCIAL ASSETS

	2019 USD	2018 USD
Prepayments	**1,773**	1,225
Rental deposit	**627**	1,265
	2,400	2,490

7. DEPOSIT ON SHARES

	2019 USD	2018 USD
Advance against equity to be allotted, to the Company, by		
GMR Infrastructure (Overseas) Limited	**55,503,900**	52,733,900
GMR Energy Projects (Mauritius) Limited	**-**	42,000
GADL International Limited	**2,380,000**	-
	57,883,900	52,775,900

8. FINANCIAL ASSETS AT AMORTISED COST

Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

8. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Financial assets at amortised cost include the following:

	2019	2018
	USD	USD
Loans to related parties	**2,090,000**	27,476,000
Loans to third party	-	42,000
	2,090,000	27,518,000
Less: loss allowance	-	(27,518,000)
	2,090,000	-

Impairment and risk exposure

Note 16(b) sets out information about the impairment of financial assets and the Company's exposure to credit risk.

All of the financial assets at amortised cost are denominated in USD currency units. As a result, there is no exposure to foreign currency risk. There is also no exposure to price risk as the investments will be held to maturity.

9. CASH AND CASH EQUIVALENTS

	2019	2018
	USD	USD
Cash at bank		
Current accounts	**7,112**	37,216

10. STATED CAPITAL

	Number of shares		**2019**	2018
			USD	USD
Issued and fully paid up	**2019**	**2018**		
At beginning and end of the year/period	**181,236,001**	181,236,001	**320,550,001**	320,550,001

The par value of each ordinary share is **USD 1**.

The holder of an ordinary share in the Company shall confer on the holder:

(a) the right to one vote on a poll at a meeting of the Company on any resolution;
(b) the right to an equal share in dividends authorised by the Board;
(c) the right to an equal share in the distribution of the surplus assets of the Company.

11. OTHER EQUITY

	2019 Number of shares	2018	2019 USD	2018 USD
Treasury shares	**139,314,000**	139,314,000	**221,648,574**	221,648,574

During the year ended 31 December 2018, pursuant to share buyback agreement between GMR Infrastructure Limited and the Company, it was resolved to buyback 139,314,000 ordinary shares at USD 1.591 per share for a total consideration of USD 221,648,574 and the shares are kept as treasury shares.

12. LOANS PAYABLE

	2019 USD	2018 USD
Loan from affiliates (Note 15 b(iii))	**76,140,000**	83,660,000
Loan from subsidiaries (Note 15 b(ii))	**3,182,658**	2,395,645
Loan from parent (Note 15 b(i))	**-**	332,921
Total loans payable	**79,322,658**	86,388,566
Non-current		
Loan from subsidiary	**712,231**	1,867,427
Loan from parent	**-**	196,892
	712,231	2,064,319

Current	2019 USD	2018 USD
Loan from subsidiary	**2,470,427**	528,218
Loan from parent	**-**	136,029
Loan from affiliates	**76,140,000**	83,660,000
	78,610,427	84,324,247
Total loans payable	**79,322,658**	86,388,566

13. ACCOUNTS PAYABLE

	2019 USD	2018 USD
Amount due to affiliates (Note 15(d))	**-**	800,000
Accruals	**12,255**	22,367
	12,255	822,367

14. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of **15%** (2018: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax.

The deemed amount of foreign tax is based on 80% (2018: 80%) of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income.

The Company's GBL1 licence will convert to a GBL licence on 1st July 2021 and will operate under the new tax regime. Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 December 2019, the Company had accumulated tax losses of **USD 131,000** (2018: USD Nil).

The tax losses are available for set off against taxable profits of the Company as follows:

Up to the year ending:

	2019	2018
	USD	USD
31 December 2024	**131,000**	-
31 March 2020	**-**	2,778,737
31 March 2019	**-**	4,901,717
31 March 2018	**-**	8,683,560
Utilised tax losses	-	(16,364,014)
	131,000	-

14. INCOME TAX (CONTINUED)

A reconciliation between the accounting profit/(loss) and the actual income tax expense is presented below:

	For the year ended 31 December 2019 USD	For the period from 01 April 2018 to 31 December 2018 USD
Profit/(Loss) before taxation	**14,529,355**	(11,225,351)
Applicable income tax at tax rate of 15%	**2,179,403**	(1,683,802)
Impact of:		
Income not taxable	**(2,207,936)**	-
Exempt income	**(397)**	(48,172)
Expenses not deductible for tax purposes	**9,280**	4,141,201
Utilised tax losses	**-**	(1,833,602)
Foreign tax credit	**15,720**	(460,500)
Deferred tax asset not accounted for	**3,930**	-
Income tax charge	**-**	115,125

A reconciliation between the opening and closing tax liability is shown below:

	2019 USD	2018 USD
At start of the year/period	**115,125**	-
Income tax charge for the year/period	-	115,125
At end of the year/period	**115,125**	115,125

Deferred income tax

A deferred tax asset of **USD 3,930** (2018: USD Nil) has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

15. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following transaction with related parties. The nature, volume of the transactions and the balances are as follows:

(a) Loans receivable

(i) GMR Energy Project (Mauritius) Limited - Affiliate	**2019**	2018
	USD	USD
At start of the year/period	-	27,476,000
Impaired during the year/period	-	(27,476,000)
Reversal of impairment	**14,562,000**	-
Refund during the year /period	**(12,472,000)**	-
At end of the year/period	**2,090,000**	-

During the year under review, GMR Energy Project (Mauritius) Limited has repaid the amount of USD 14,562,000 and the impairment was reversed.

(b) Loans payable

(i) GMR Infrastructure Limited - Parent

At start of the year/period	**332,921**	43,182,570
Advanced during the year/period	-	5,000,000
Interest payable during the year/period (Note 3)	**172**	1,396,634
Interest paid during the year/period	**(308,792)**	(3,363,762)
Repaid during the year/period	**(24,301)**	(45,882,521)
At end of the year/period (Note 12)	-	332,921

Details of the above loans are given below:

- Loan amounting to **USD Nil** (2018: USD 136,029) which carries interest at 6% per annum. The loan is unsecured and is repayable on 18 October 2019. The loan was repaid during the year under review.
- Loan amounting to **USD Nil** (2018: USD 102,240) which carries interest at 6% per annum. The loan is unsecured and is repayable on 29 May 2020. The loan was repaid during the year under review.
- Loan amounting to **USD Nil** (2018: USD 30,246) which carries interest at 6% per annum. The loan is unsecured and is repayable on 21 November 2020. The loan was repaid during the year under review.
- Loan amounting to **USD Nil** (2018: USD 64,406) which carries interest at 6% per annum. The loan is unsecured and is repayable on 21 June 2021. The loan was repaid during the year under review.

(ii) GMR Infrastructure (Singapore) Pte Ltd - Subsidiary

At start of the year/period	**2,395,645**	1,538,173
Addition during the year/period	**700,000**	800,000
Interest payable during the year/period (Note 3)	**87,013**	57,472
At end of the year/period (Note 12)	**3,182,658**	2,395,645

Details of the above loans are given below:

(i) Loan amounting to **USD 559,973** (2018: USD 543,716) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 31 August 2021.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) ***Loans payable (continued)***

(ii) Loan amounting to **USD 1,068,918** (2018: USD 1,036,404) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 02 January 2020.

(iii) Loan amounting to **USD 841,536** (2018: USD 815,525) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 27 June 2020.

(iv) Loan amounting to **USD 712,231** (2018: USD Nil) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 05 June 2021.

	2019 USD	2018 USD
(iii) GMR Male International Airport Private Limited- affiliate		
At start of the year/period	**83,660,000**	82,320,000
Repaid during the year/period	**(7,520,000)**	(1,930,000)
Advanced during the year/period	-	3,270,000
At end of the year/period (Note 12)	**76,140,000**	83,660,000

Details of the above loans are given below:

(i) Loan amounting to **USD 50,770,000** (2018: USD 58,290,000) which is unsecured, interest free and repayable on demand.
(ii) Loan amounting to **USD 25,370,000** (2018: USD 25,370,000) which is unsecured, interest free and repayable on demand.

(c) Amount due to parent

(i) GMR Infrastructure Limited		
At start of the year/period	-	200,000
Repaid during the year/period	-	(200,000)
At end of the year/period (Note 13)	-	-

The amount due to parent is towards business support services received and has been repaid during the period ended 31 December 2018.

(d) Amount due to affiliates
(i) GMR Infrastructure (Overseas) Limited

At start of the year/period	**800,000**	800,000
Paid during the year/period	**(800,000)**	-
At end of the year/period	**-**	800,000

The amount due to affiliate is unsecured, interest free and has been repaid during the year.

(ii) GMR Energy Projects (Mauritius) Limited

At start of the year/period	-	-
Advance during the year/period	**1,279**	
Paid during the year/period	**(1,279)**	-
At end of the year/period	**-**	-

15. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Amount due to affiliates (continued)
(iii) GMR Energy (Mauritius) Limited

	2019 USD	2018 USD
At start of the year/period	-	-
Advance during the year/period	**1,265**	
Paid during the year/period	**(1,265)**	-
At end of the year/period	**-**	-

The amount due to affiliate is unsecured, interest free and has been repaid during the year.

(e) Key management services

	2019 USD	2018 USD
Expenses including directors' fees incurred by the Company	**27,484**	59,499
Outstanding balance	**6,021**	16,121

The compensation to key management personnel is provided on commercial terms and conditions

16. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (Continued)

(i) Currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has assets and liabilities denominated in Great Britain Pound Sterling ("GBP") and EURO ("EUR"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to GBP and EUR may change in a manner, which has a material effect on the reported value of the Company's assets and liabilities which are denominated in GBP and EUR.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2019		2018	
	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
Financial assets	**USD**	**USD**	USD	USD
GBP	**212**	-	206	-
EUR	**43**	-	39	-
USD	**22,481,012**	**79,450,038**	23,025,916	87,221,214
	22,481,267	**79,450,038**	23,026,161	87,221,214

Investment in subsidiaries amounting to **USD 120,815,019** (2018: USD 120,814,700), deposit on shares amounting to **USD 57,883,900** (2018: USD 52,775,938) and prepayments amounting to **USD 1,773** (2018: USD 1,225), have been excluded in the above table.

Sensitivity analysis

The following table indicates the approximate change in the Company's post-tax profit and equity in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date, with all other variables held constant.

	Increase/(decrease) in Foreign exchange rates	**Effect on post tax profit (loss)/ gain**		**Effect on equity (loss)/ gain**	
		2019	2018	**2019**	2018
		USD	USD	**USD**	USD
Depreciation of GBP	+5%	**11**	10	**11**	10
Appreciation of GBP	-5%	**(11)**	(10)	**(11)**	(10)
Depreciation of EUR	+5%	**2**	2	**2**	2
Appreciation of EUR	-5%	**(2)**	(2)	**(2)**	(2)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company holds significant interest bearing financial assets and liabilities such as cash and cash equivalents, loans to related parties and loans payable on which interest may fluctuate in amount, due to changes in market interest rates.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (Continued)

(ii) Interest rate risk (continued)

The Company's interest rate risk arises from interest received on cash and cash equivalents, loans to related parties and interest paid or payable on loans payable. Based on the assumption that the interest rate had been 0.5% higher or lower on the applicable interest rate, post-tax profits and equity would have been **USD 436** higher or lower (2018: USD 7,262).

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Company has only one type of financial assets that are subject to the expected credit loss model which includes financial assets carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial assets at amortised cost

Financial assets at amortised cost include loans to related parties and to key management personnel. The loss allowance for other financial assets at amortised cost as at 31 December 2018 reconciles to the opening loss allowance on 1 January 2019 and to the closing loss allowance as at 31 December 2019 as follows:

During the year/period, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:

	2019	2018
	USD	USD
Impairment losses on financial assets at amortised cost	-	27,518,000
	=========	=========

(c) Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves to meet its obligations as they fall due and through financing from related parties.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk (continued)

The maturity profile of the financial instruments is summarised as follows:

	Due within 1 year USD	More than 1 year USD	Total USD
2019			
Loans payable	**78,610,427**	**712,231**	**79,322,658**
Accounts payable	**12,255**	-	**12,255**
	78,622,685	**712,231**	**79,334,913**
2018			
Loans payable	84,324,247	2,064,319	86,388,566
Accounts payable	22,367	800,000	822,367
	84,346,614	2,864,319	87,210,933

(d) Fair values

The carrying amounts of other non-financial assets, financial assets at amortised cost, other non financial assets (excluding prepayments), amount due from parent, cash and cash equivalents, loan payable, derivative financial liability approximate their fair values.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table analyses within the fair value hierarchy the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value, measured at 31 December 2019 and 2018, is observable:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2019				
Financial assets at fair value through profit and loss	-	22,474,155	-	22,474,155

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2018				
Financial assets at fair value through profit and loss	-	22,988,945	-	22,988,945

(e) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management considers issued and paid up ordinary shares to be comprising the capital of the Company.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

(f) Financial instruments by category

2019	**Financial assets at fair value through profit or loss USD**	**Fair value at amortised cost USD**	**Total USD**
Financial assets at fair value through profit and loss	**22,474,155**	-	**22,474,155**
Financial assets at amortised cost	-	**2,090,000**	**2,090,000**
Cash and cash equivalents	-	**7,112**	**7,112**
Total	**22,474,155**	**2,097,112**	**24,571,267**

2018			
Financial assets at fair value through profit and loss	22,988,945	-	22,988,945
Cash and cash equivalents	-	37,216	37,216
Total	22,988,945	37,216	23,026,161

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category (continued)

	Other financial liabilities at amortised cost	
	2019	2018
	USD	USD
Financial liabilities		
Loans payable	**79,322,658**	86,388,566
Accounts payables	**12,255**	822,367
Total	**79,334,913**	87,210,933

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	01 January 2019	Cash changes Financing cash flows	31 December 2019
	USD	USD	USD
Loan payable	**86,388,566**	**(10,065,908)**	**79,322,658**
Accounts payable	**822,367**	**(810,112)**	**12,255**
2018			
Loan payable	127,040,742	40,652,176	86,388,566
Accounts payable	1,070,848	(248,481)	822,367

18. COMPARATIVES

Further to the board meeting held on 28 September 2018, the Company has changed its reporting date from 31 March to 31 December. Accordingly, the current year figures are for the year ended December 2019 and the prior year figures are for the period from 01 April 2018 to 31 December 2018. Therefore, the figures for the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and related notes are not comparable.

19. PARENT AND ULTIMATE PARENT

Limited as the Company's parent and ultimate parent The directors consider GMR Infrastructure Limited, a public limited company listed on the Stock Exchange in India and GMR Enterprises Private respectively.

20. EVENTS AFTER THE REPORTING DATE

Subsequent to 31 December 2019, the recent global outbreak of the corona virus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. The effect of the impact of COVID-19 has not been reflected in these financial statements, whilst such impact may affect the future results of the Company.