GMR INFRASTRUCTURE (OVERSEAS) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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GMR INFRASTRUCTURE (OVERSEAS) LIMITED

COMPANY INFORMATION

			Date of appointment	Date of resignation
DIRECTORS	:	Nousrath Bhugeloo	23 June 2010	-
		Naraidoo Devananda	20 March 2013	-
		Srinivasa Subramanya Veerabhadra Lakshminarayana Tummalapalli	09 September 2016	-
		Rishikesh Batoosam *(Alternate to Devananda Naraidoo)*	07 December 2016	-
		Rishikesh Batoosam *(Alternate to Nousrath Begum Bhugeloo)*	07 December 2016	-
		Diwan Prakash Kumar *(Alternate to Srinivasa Subramanya Veerabhadra Lakshminarayana Tummalapalli)*	08 May 2017	-
		Ravala Sri Satya Lakshmi Narasimha Bhaskarudu	27 May 2019	31 March 2020

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services (Mauritius) Limited
6th Floor, Tower A,
1 CyberCity
Ebène
Republic of Mauritius

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

AUDITORS : VBS Business Services
1st Floor, Hennessy Court
Pope Hennessy Street
Port Louis
Republic of Mauritius

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

COMMENTARY OF THE DIRECTORS

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

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 December 2019 is **USD 64,456,305** (period from 01 April 2018 to 31 December 2018: loss of USD 250,119,685).

The directors do not recommend the payment of a dividend for the year under review (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, 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 have confirmed 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 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.

AUDITORS

The auditors, **VBS Business Services**, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board

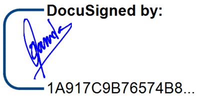
SECRETARY

Date:

SECRETARY'S CERTIFICATE
TO THE MEMBERS OF GMR INFRASTRUCTURE (OVERSEAS) LIMITED

Under section 166 (d) of the Companies Act 2001

We confirm, as Secretary of GMR Infrastructure (Overseas) Limited, that based on records and information made available to us by the directors and shareholders 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.



Ocorian Corporate Services (Mauritius) Limited
Corporate Secretary

Date: 18 June 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GMR INFRASTRUCTURE (OVERSEAS) LIMITED

Report on the Audit of Financial Statements

We have audited the financial statements of GMR Infrastructure (Overseas) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 32.

In our opinion, these financial statements give a true and fair view of the financial position of GMR Infrastructure (Overseas) Limited as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act in so far as applicable to category 1 Global Business Licenced Companies.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to:

(i) Note 16 to the financial statements which indicates that the Company has incurred a profit of USD 64,456,305 (Period from 01 April 2018 to 31 December 2018: loss of USD 250,119,685) for the year ended 31 December 2019 and as that date, the Company's total liabilities exceeded its total assets by USD 131,481,857 (2018: USD 198,708,159). The note also indicates why in these circumstances, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

(ii) Note 18 to the financial statements which indicates the assessment made by the directors in respect of Covid-19 pandemic, if any, on the financial statement of the Company. Our opinion is not modified in that respect.

Other Information

The directors are responsible for the other information. The other information comprises of the commentary of the directors and secretary's certificate.

Our opinion on the financial statements does not cover the other information.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GMR INFRASTRUCTURE (OVERSEAS) LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act in so far as applicable to category 1 Global Business Licenced Companies. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement 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 directors.

- Conclude on the appropriateness of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GMR INFRASTRUCTURE (OVERSEAS) LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

VBS Business Services
Chartered Certified Accountants

Port Louis, Mauritius

Date: 18 June 2020

Khemraz Boodhoo, FCCA
Licensed by FRC

GMR INFRASTRUCTURE (OVERSEAS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 USD	Period from 01 April 2018 to 31 December 2018 USD
INCOME			
Reversal of impairment on deposit on shares	8	**77,978,765**	-
Interest income	13(g),(h)	**85,637**	228,622
Dividend income		**5,890,500**	-
Gain on exchange		**-**	44,604
Profit on sale of non current assets held-for-sale		**-**	4,084,013
Total income		**83,954,902**	4,357,239
EXPENSES			
Interest expense	12 (b),(g),(h)	**17,606,543**	3,708,563
Legal and professional fees		**1,700,000**	-
Impairment of investments in subsidiaries	6	**159,648**	111,267,228
Secretarial and administration fees		**15,764**	11,923
Directors' fees		**2,400**	3,800
Accounting fees		**4,300**	2,950
Bank charges		**4,619**	6,225
Licence and registration fees		**2,350**	1,575
Audit fees		**2,070**	2,070
Tax fees		**900**	150
Loss on exchange		**3**	-
Consultancy fee		-	370,000
Impairment of deposit on shares	8	**-**	138,879,006
Total expenses		**19,498,597**	254,253,490
LOSS BEFORE INCOME TAX		**64,456,305**	(249,896,251)
Income tax expense	5	**-**	(223,434)
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD		**64,456,305**	(250,119,685)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR /PERIOD		**64,456,305**	(250,119,685)

The notes on pages 12 to 32 form an integral part of these financial statements.

GMR INFRASTRUCTURE (OVERSEAS) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 USD	2018 USD
ASSETS			
Non-current assets			
Investment in subsidiaries	6	**23,220,059**	23,379,706
Current assets			
Deposit on shares	8	**74,776,396**	498,932
Financial assets at amortised cost	7	**17,885,202**	19,048,180
Prepayments		**1,325**	1,375
Cash and cash equivalents		**52,903**	637,530
Total current assets		**92,715,826**	20,186,017
TOTAL ASSETS		**115,935,885**	43,565,723
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	**101**	100
Share application monies	10	**55,503,900**	52,733,904
Accumulated losses		(**186,985,858**)	(251,442,163)
Total shareholder's deficit		(**131,481,857**)	(198,708,159)
Liabilities			
Non-current liability			
Loan payable	12	**8,436,908**	53,162
Current liabilities			
Accounts payables	11	**16,217,544**	29,327,284
Loan payable	12	**222,763,290**	212,893,436
Total current liabilities		**238,980,834**	242,220,720
Total liabilities		**247,417,742**	242,273,882
TOTAL EQUITY AND LIABILITIES		**115,935,885**	43,565,723

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

DocuSigned by:
91CB1B11FA0F404...

Alternate
Director

DocuSigned by:
96C27126A40D4AC...
Director

GMR INFRASTRUCTURE (OVERSEAS) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Stated capital USD	Share application monies USD	Accumulated losses USD	Total USD
At 01 April 2018	100	260,846,487	(1,322,478)	259,524,109
Transaction with owner of the Company:				
Share application monies (Note 10)	-	(208,112,583)	-	(208,112,583)
Total transaction with owner	-	(208,112,583)	-	(208,112,583)
Comprehensive income:				
Loss for the period	-	-	(250,119,685)	(250,119,685)
Total comprehensive income	-	-	(250,119,685)	(250,119,685)
At 31 December 2018	100	52,733,904	(251,442,163)	(198,708,159)
Transaction with owner of the Company:				
Issue of shares	**1**	-	-	**1**
Share application monies (Note 10)	-	**2,769,996**	-	**2,769,996**
Total transaction with owner	**1**	**2,769,996**	-	**2,769,997**
Comprehensive income:				
Profit for the year	-	-	**64,456,305**	**64,456,305**
Total comprehensive income	-	-	**64,456,305**	**64,456,305**
At 31 December 2019	**101**	**55,503,900**	**(186,985,858)**	**(131,481,857)**

The notes on pages 12 to 32 form an integral part of these financial statements.

GMR INFRASTRUCTURE (OVERSEAS) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	**Year ended 31 December 2019 USD**	Period from 01 April 2018 to 31 December 2018 USD
Cash flows from operating activities			
Profit/ (Loss) before income tax		**64,456,305**	(249,896,251)
Adjustments for:			
Impairment of investments in subsidiaries	6	**159,648**	111,267,228
Impairment of deposit on shares	8	**-**	138,879,006
Gain on disposal of investment	7	**-**	(4,084,013)
Interest income	13 (g)&(h)	**(85,637)**	(228,622)
Interest expense	12	**17,606,543**	3,708,563
Reversal of impairment of deposit of shares		**(77,978,765)**	–
Operating income/ (loss) before working capital changes		**4,158,094**	(354,089)
Changes in working capital:			
Change in prepayments		**50**	699
Change in accruals		**(2,741)**	(28,378)
Net cash from/ (used in) operating activities		**4,155,403**	(381,768)
Cash flows from investing activities			
Deposit on shares	8	**3,701,301**	(25,075,767)
Funds received from affiliate		**-**	1,243,064
Loan received during the year		**-**	(1,000)
Advance to related parties	13 (h), (i)	**(40,000)**	(4,000,000)
Loan refunded by related party	13 (e), (g), (h)	**1,288,615**	47,634,041
Net cash from investing activities		**4,949,916**	19,800,338
Cash flows from financing activities			
Loan advanced by affiliates	12 (e), (f), (g), (h)	**41,815,000**	218,287,572
Loan repaid to affiliates	12 (a), (b), (c), (d), (e), (f), (g), (h)	**(40,405,091)**	(25,022,058)
Amount repaid to affiliates	13 (b)	**(13,107,000)**	(4,472,000)
Subscription monies received/ (repaid)	10	**2,769,996**	(208,112,583)
Proceeds from issue of shares	9	**1**	-
Interest paid	12 (b), (c), (h)	**(762,852)**	(212,942)
Net cash used in financing activities		**(9,689,946)**	(19,532,011)
Net decrease in cash and cash equivalents		**(584,627)**	(113,441)
Cash and cash equivalents at beginning of the year/period		**637,530**	750,971
Cash and cash equivalents at end of the year/period		**52,903**	637,530

Refer to note 14 for non-cash financing and investing activities, including reconciliation of liabilities arising from financing activities.

The notes on pages 12 to 32 form an integral part of these financial statements.

1 GENERAL INFORMATION

GMR Infrastructure (Overseas) Limited (the "Company") is a public limited company incorporated on 23 June 2010. The Company 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, Ebene, Republic of Mauritius.

The principal activity of the Company is that of investment holding.

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.

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as modified by the exemption from consolidation in the Companies Act 2001 ("IFRS as modified by Companies Act 2001") for companies holding a Category 1 Global Business Licence, and comply with Companies Act 2001. The financial statements have been prepared under the historical cost basis except for financial assets and financial liabilities which are measured at amortised cost.

The preparation of financial statements in conformity with IFRS, as modified by 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

The Company generated profits amounting to **USD 64,456,305** (Period from 01 April 2018 to 31 December 2018: loss of USD 250,119,685) for the year ended 31 December 2019 and as at that date, its total liabilities exceeded its total assets by **USD 146,265,008** (2018: net current assets USD 222,034,703). The holding company has confirmed that it will continue to provide financial support to the Company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Changes in accounting policy and disclosures

(i) New and amended standards

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

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.

(ii) 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures (continued)

(ii) New standards, amendments and interpretations issued but not yet effective (continued)

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.

Foreign currency translation

(a) 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 entity operates (the "functional currency"). The financial statements are presented in United States dollar ("USD") which is the Company's functional currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) 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 profit or loss.

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. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

Taxation

The tax expense for the year comprises of current tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position 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 on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and losses can be utilised.

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured and 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 on a time basis using the effective interest method.

Dividend and interest income are shown gross of withholding taxes.

Expenses recognition

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

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.

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

Investment in subsidiaries

Subsidiaries are all 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in subsidiaries is 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 comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

Consolidated financial statements

The financial statements contain information about GMR Infrastructure (Overseas) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company owns 100% in GMR Energy Projects (Mauritius) Limited, 99.9% in GMR Coal Resources Pte Limited, 77% of GMR Male International Airport Pvt Limited, 99.97 % in GMR Infrastructure Overseas Limited Malta and 100% of GMR Infrastructure (Cyprus) Limited, Indo Tausch Trading DMCC and GMR Infrastructure UK Limited respectively. The Company has taken advantage of the exemption provided by Companies Act 2001 allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The ultimate parent, GMR Infrastructure Limited, a company incorporated in India, prepares consolidated financial statements in accordance with Indian Generally Accepted Accounting Principles and not IFRS. The registered office of the ultimate parent is Plot N301, G Block 7th Floor Naman Centre Bandra Kurla Complex (Opp. Dena Bank) Bandra (East), Mumbai 400 051, India.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The entity'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

Debt instruments

- *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.

The Company's financial assets at amortised cost includes loans to related parties, amounts receivable from related parties, and cash and cash equivalents, which are subsequently measured as follows:

Loans to and amount receivable from related parties

Loans to sand amounts receivale from related parties are the contractual amounts for the settlement of other obligations due to the Company and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

(c) Impairment

The Company assesses on a forward looking basis the expected credit losses ("ECL") 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 Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

(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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 payables and accounts payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payables, loans payables.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Loans payables

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.

(ii) Accounts payables

These amounts represent liabilities services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and 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.

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

Stated capital is determined using the nominal values of shares that have been issued and classified as equity.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past. A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Determination of functional currency

The Board of Directors considers the United States Dollars ("USD") as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions from its parent.

Impairment assessment

The directors have assessed the carrying value of the investments in the subsidiaries and deposit on shares at 31 December 2019 as detailed in Note 6 and Note 8. The Company provided for impairment of USD 159,648 against the investment held in Indo Tausch Tradind DMCC and reversal of impairment against deposit on shares in GMR Coal Resources Pte Ltd of USD 72,648,765 based on recoverability.

Going concern

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.

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

4 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.

(i) Currency risk

Currency profile

Currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. The Company has financial assets denominated in EURO ('EUR'). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to EUR may change in a manner, which has a material effect on the reported value of the Company's assets which are denominated in EUR.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Currency profile (continued)

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

	Financial assets 2019 USD	Financial assets 2018 USD	**Financial liabilities 2019 USD**	Financial liabilities 2018 USD
United States Dollar	**17,937,945**	19,641,268	**247,417,742**	242,273,882
Euro	**160**	44,442	**-**	-
	17,938,105	19,685,710	**247,417,742**	242,273,882

Sensitivity analysis

At 31 December 2019, the Company has financial assets of **USD 160** (2018: USD 44,442) denominated in EURO and if EURO ("EUR") had weakened/strengthened by 5% against the United States Dollar ("USD") with all other variables held constant, pre-tax profit for the year would have decreased or increased by **USD 8** (2018: USD 2,222), mainly as a result of foreign exchange gains on translation of EUR denominated financial assets.

(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 has loan payable with related party which bears a fixed rate of interest and loan receivable which bears interest at 6 months libor + 500 basis points. The impact of the Company's exposure to the risk is minimal.

(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

The Company's credit risk arises from cash and cash equivalents, loan receivables and other receivables which are carried at amortised cost.The Company has only one type of financial asset which is subject to the expected credit loss model which includes financial assets at amortised costs.

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 amount due from related parties.

Management has made an assessment on the loan receivable and they are of the view that the impact of Expected Credit Loss is immaterial since part of the loan has been settled after the reporting period.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate cash reserves to meet its obligations as they fall due and through financing from related parties.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Repayable on demand USD	**Within one year USD**	**Later than one year and not later than five year USD**	**Total USD**
2019				
Financial liabilities				
Amount due to affiliates	16,209,317	-	-	**16,209,317**
Accruals	-	8,227		**8,227**
Loan payable	222,763,290	-	8,436,908	**231,200,198**
Total financial liabilities	**238,972,607**	**8,227**	**8,436,908**	**247,417,742**

	Repayable on demand USD	Within one year USD	Later than one year and not later than five year USD	Total USD
2018				
Financial liabilities				
Other payables	29,316,316	-	-	29,316,316
Accruals	-	10,968	-	10,968
Loan payable	193,074,504	19,818,932	53,162	212,946,598
Total financial liabilities	222,390,820	19,829,900	53,162	242,273,882

Categories of financial instruments

	2019 USD	2018 USD
Financial assets at amortised cost		
Loans to related parties	**17,740,111**	18,103,089
Amount receivable from related parties	**145,091**	945,091
Cash and cash equivalents	**52,903**	637,530
Total financial assets	**17,938,105**	19,685,710
Financial liabilities at amortised cost		
Accounts payable	**16,217,544**	29,327,284
Loans payable	**231,200,198**	212,946,598
Total financial liabilities	**247,417,742**	242,273,882

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values of financial instruments

The management assessed that the fair values of loans receivable, cash and cash equivalents, amount due from related parties (excluding prepayments), accounts payables and loans payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

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 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 shareholder, return on capital to shareholder or issue new shares or advances from related parties.

5 INCOME TAX EXPENSE

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of **15%** (March 2018: 15%). The Company has received its Category 1 Global Business Licence (“GBL1”) 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% 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 01st 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.

At 31 December 2019, the Company had accumulated tax losses of **USD 16,467,017** (2018: USD 4,804,205) and therefore was not liable to income tax.

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

Up to the years ending	**USD**
31 March 2020	**26,461**
31 March 2021	**24,658**
31 March 2022	**919,056**
31 December 2023	**3,834,030**
31 December 2024*	**11,662,812**
	16,467,017

*The loss is for the period from 01 April 2018 to 31 December 2019, because there was a change in year end to 31 December 2019.

5 INCOME TAX EXPENSE (CONTINUED)

The income tax expenses is made as follows:

	Year ended 31 December 2019 USD	Period from 01 April 2018 to 31 December 2018 USD
Withholding tax	**-**	223,434
	-	223,434

A reconciliation between the accounting loss as adjusted for tax purposes and the actual tax charge is presented below:

	Year ended 31 December 2019 USD	Period from 01 April 2018 to 31 December 2018 USD
Profit / (loss) before taxation	**64,456,305**	(249,896,251)
Applicable income tax at tax rate of 15%	**9,668,446**	(37,484,438)
Impact of:		
Income not subject to tax	(**11,696,815**)	(612,602)
Expenses not deductible for tax purposes	**278,947**	37,521,935
Deferred tax asset not recognised	**1,749,422**	575,105
Income tax charge	-	-

During the year ended 31 December 2018, the Company suffered withholding tax amounting to USD 223,434 as disclosed in Note 7.

A *deferred income tax*

A deferred income tax asset of **USD 494,011** (2018: USD 144,126) 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.

6 INVESTMENTS IN SUBSIDIARIES

	2019 USD	2018 USD
Unquoted investments at cost:		
At start of the year/period	**23,379,706**	134,646,934
Additions during the year/period	**1**	-
Impairment during the year/period	(**159,648**)	(111,267,228)
At end of the year/period	**23,220,059**	23,379,706

6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company holds investments in the following companies:

Name of company	Direct % Holdings	Country of Incorporation	Class of shares held	Number of shares	2019 USD 2019	2018 USD
GMR Coal Resources Pte Ltd	99.9%	Singapore	Equity	101,820,000	**1**	1
GMR Coal Resources Pte Ltd		Singapore	Redeemable preference share	25,170,000	**1**	1
GMR Infrastructure (Cyprus) Limited	100%	Republic of Cyprus	Equity	4,000	**1**	1
GMR Male International Airport Pvt Limited	77%	Republic of Maldives	Equity	29,452,500	**23,100,000**	23,100,000
GMR Infrastructure Overseas Limited Malta	99.97 %	Republic of Malta	Equity	3,010	**4,702**	4,702
Indo Tausch Trading DMCC	100 %	United Arab Emirates	Equity	1,000	**115,352**	275,000
GMR Infrastructure UK Limited	100 %	United Kingdom	Equity	5,010,000	**1**	1
GMR Energy Projects (Mauritius) Limited	100 %	Mauritius	Equity	10,000	**1**	-
At end of year/ period					**23,220,059**	23,379,706

During the year, pursuant to share purchase agreement dated 22 November 2019, the Company acquired the entire stake of GMR Energy Projects (Mauritius) Limited of 10,000 shares of USD 1 from GMR Energy (Global) Limited for a total consideration of USD 1.

The Company owns 99.99% in GMR Coal Resources Pte Ltd ("GCRPL"). GCRPL (Borrower) and Standard Chartered Bank (Security agent) entered into a credit facility agreement dated 25 October 2011. Pursuant to this facility agreement the Company (Guarantor) had pledged its shares held in GCRPL in favour of Standard Chartered Bank, to secure the repayment of the credit facility. Pursuant to the resolution dated, 26 February 2018, the shares held in GCRPL has now been pledged with Madison Pacific Trust Limited ('Madison Pacific'), the replacement facility agent and security agent, to secure the repayment of the credit facility.

During the year under review, the Company assessed the recoverable amount of the investment held in Indo Tausch Trading DMCC and an impairment of USD 159,648 has been provided.

During the period ended 31 December 2018, the Company provided for impairments on the following investments:

-GMR Coal Resources Pte Limited – Impairment of USD 75,474,999 and USD 25,169,999;
-GMR Infrastructure (Cyprus) Limited – Impairment of USD 10,622,230.

Voting rights

Each Redeemable Preference Share shall entitle its holder to receive notice of and to attend any annual and special *meetings of the Company.

6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Winding up

On winding up, each holder of a Redeemable Preference Share shall have priority to repayment of capital.

Each Redeemable Preference Share shall be redeemable at the option of the holder of the share.

Distribution of surplus assets

The holder of a Redeemable Preference Share shall not be entitled to any surplus assets which might exist after the paid up capital of the Company on ordinary shares has been repaid.

Based on the review of the financial performance and position of the subsidiaries in previous period, the investments in GMR Coal Resources Pte Limited and GMR Infrastructure (Cyprus) Limited have been subject to impairment as disclosed above.

7 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.

Financial assets at amortised cost include the following debt investments:

	2019	2018
	USD	USD
Loan to related parties (Note 13 (g),(h),(i))	**17,740,111**	18,103,089
Amount receivables from related parties (Note 13 (e)&(f))	**145,091**	945,091
	17,885,202	19,048,180
Less:loss allowance for debt investments at amortised cost	**-**	-
	17,885,202	19,048,180

Other receivables from related parties and non related parties

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. Other receivable from related parties and non related party comprise of:

(i) **USD 145,091** (2018: USD 145,091) from PT Golden Energy Mines TBK for consideration receivable for disposal of non current assets held for sale. The total consideration for the sale amounts to USD 4,468,686. The Company realised a gain on disposal of USD 4,084,013 on this transaction. The Company received an advance from PT Golden Energy Mines TBK of USD 3,080,531 during period ended 31 March 2018 which represents part consideration received for the disposal (as disclosed in Note 14 (d)) and has received additional part consideration during the year of USD 1,019,620. The Company has also suffered withholding tax of USD 223,434 and bank charge of USD 10 during 31 December 2018. As of 31 December 2019, the Company has consideration receivable of USD 145,091 from PT Golden Energy Mines TBK for this transaction.

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7 FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Impairment and risk exposure

Note 4(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 USD currency units. As a result, there is no exposure to foreign currency risk.

8 DEPOSIT ON SHARES

	2019	2018
	USD	USD
Advance against equity to be allotted by:		
GMR Coal Resources Pte. Limited	**73,698,765**	-
GMR Infrastructure Overseas Limited (Malta)	**250,662**	227,861
GMR Infrastructure (UK) Limited	**826,969**	271,071
At end of the year	**74,776,396**	498,932

Deposit on shares represent advance towards the equity shares of the above entities. For the year ended 31 December 2019, the Company has advanced a total of USD 1,050,000 to GMR Coal Resources Pte. Limited, GMR Infrastructure Overseas Limited (Malta) and GMR Infrastructure (UK) Limited. The advance made towards equity has not been converted into investment at the reporting date.

During the year under review, the Company reversed partial impairment of USD 72,648,765 based on recoverability of the deposit on shares with GMR Coal Resources Pte. Limited in addition to USD 1,050,000 advanced during the year.

During the period ended 31 December 2018, the Company provided for impairment on the deposit on shares totalling USD 138,879,006 comprising of USD 121,338,050 with GMR Coal Resources Pte. Limited and USD 17,540,956 with GMR Infrastructure (Cyprus) Limited respectively.

The Company received funds during the year under review amounting to USD 5,330,000 from GMR Infrastructure (Cyprus) Limited against the deposit of shares impaired during the period ended 31 December 2018. As a result, partial impairment for the funds received has been reversed as of 31 December 2019, as disclosed in the statement of profit or loss and other comprehensive income.

9 STATED CAPITAL

Issued and fully paid up	**Number of shares**			
	2019	2018	**2019**	2018
			USD	USD
At start of year/period	**100**	100	**100**	100
Issued during the year/period	**1**	-	**1**	-
At end of year/period	**101**	**100**	**101**	100

The par value of each ordinary share is USD 1.

The holding 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; and
(c) the right to an equal share in the distribution of the surplus assets of the Company.

10 SHARE APPLICATION MONIES

	2019 USD	2018 USD
At start of the year/ period	**52,733,904**	260,846,487
Addition/ (repayment) during the year/ period	**2,769,996**	(208,112,583)
At end of year/ period	**55,503,900**	52,733,904

Share application monies represent advances received from GMR Infastructure (Mauritius) Limited which have not yet been converted into share capital at year end.

11 ACCOUNTS PAYABLE

	2019 USD	2018 USD
Accruals	**8,227**	10,968
Amount due to affiliates (Note 13(b) & (c))	**16,209,317**	29,316,316
	16,217,544	29,327,284

12 LOANS PAYABLE

	2019 USD	2018 USD
Non-current (Note 12(h))	**8,436,908**	53,162
Current (Note 12(a) -12 (g))	**222,763,290**	212,893,436
Total loans payable	**231,200,198**	212,946,598

(a) Indo Tausch Trading DMCC – (affiliate)

	2019 USD	2018 USD
At start of the year/ period	**139,661**	139,661
Loan repaid during the year/period	**(30,000)**	-
At end of the year/ period (Note 13 (n))	**109,661**	139,661

The loan payable to Indo Tausch Trading DMCC is unsecured, interest free and is repayable on demand.

(b) GADL International Limited

	2019 USD	2018 USD
At start of the year/ period	**2,213,003**	11,002,555
Additions during the year / period	**-**	40,000
Interest payable during the year/ period	**201**	35,448
Loan repaid during the year/ period	**(1,700,000)**	(8,865,000)
Interest repaid during the year/ period	**(513,204)**	-
At end of the year/ period (Note 13(m))	**-**	2,213,003

The loan payable to GADL International Limited was unsecured, bore interest of 0.5% per annum and was repayable on 31 March 2019. The loan inclusive of interest payable was fully repaid during the year under review.

12 LOANS PAYABLE (CONTINUED)

	2019 USD	2018 USD
(c) GMR Infrastructure (Overseas) Limited (Malta)- (affiliate)		
At start of the year/ period	**11,923**	11,923
Interest repaid during the year/ period	**(6,248)**	-
At end of the year/ period (Note 13(a))	**5,675**	11,923

The loan payable to GMR Infrastructure (Overseas) Limited (Malta) ("GIOL Malta") was unsecured, bears an interest of 3.75% per annum and was repayable by 31 March 2018. The loan balance has been fully repaid and the remaining balance pertains to interest payable.

	2019 USD	2018 USD
(d) GMR Airports (Mauritius) Limited -(affiliate)		
At start of the year/ period	**460,000**	-
Loan received during the year/ period	-	500,000
Loan repaid during the year/ period	**(460,000)**	(40,000)
At end of the year/ period (Note 13(j))	**-**	460,000

The loan payable to GMR Airports (Mauritius) Limited was unsecured, interest free and repayable by 08 December 2019. The loan has been fully repaid during the year under review.

	2019 USD	2018 USD
(e) GMR Male International Airport Private Limited		
At start of the year/ period	**7,750,000**	-
Loan received during the year/ period	**4,530,000**	7,750,000
Loan repaid during the year/ period	**(475,000)**	-
At end of the year/ period	**11,805,000**	7,750,000

The total loan facilty with GMR Male International Airport Private Limited has been approved as per resolution date 13 December 2018 for a total amount of USD 100,000,000 out of which USD 12,280,000 has been disbursed and USD 475,000 has been repaid as at 31 December 2019. The loan payable to GMR Male International Airport Private Limited was unsecured, interest free and repayable by 13 December 2019. The terms and conditions of the loan has been amended to repayable on demand following first amendment to the loan agreement dated 09 December 2019.

	2019 USD	2018 USD
(f) GMR Holding (Mauritius) Limited -(affiliate)		
At start of the year/ period	**9,384,006**	-
Loan received during the year/ period	**3,350,000**	19,394,006
Loan repaid during the year/ period	**(12,734,006)**	(10,010,000)
At end of the year/ period (Note 13(k))	**-**	9,384,006

12 LOANS PAYABLE (CONTINUED)

(f) GMR Holding (Mauritius) Limited -(affiliate) (continued)

The total loan facility with GMR Holding (Mauritius) Limited has been approved as per resolution date 12 December 2017 for a total amount of USD 10,000,000 and extended to USD 30,000,000 as per resolution dated 24 December 2018. The loan payable to GMR Holding (Mauritius) Limited was unsecured, interest free and repayable by 24 December 2019 and has been fully repaid during the year under review.

	2019 USD	2018 USD
(g) GMR Infrastructure (Singapore) Pte Limited – (Affiliate)		
At start of the year/ period	**192,934,843**	-
Loan received during the year/ period	**18,675,000**	195,827,000
Interest payable during the year/ period	**17,328,111**	3,427,843
Repayment of loan during the year/ period	(**18,095,000**)	(6,320,000)
At end of the year/ period (Note 13 (o))	**210,842,954**	192,934,843

The loan payable to GMR Infrastructure (Singapore) Pte Limited is unsecured, bears interest of 9% per annum and is repayable on demand.

	2019 USD	2018 USD
(h) GMR Infrastructure Limited -(affiliate)		
At start of the year/ period	**53,162**	4,807,890
Loan received during the year/ period	**15,260,000**	4,000,000
Interest payable during the year/ period	**278,231**	245,272
Repayment of loan during the year/ period	(**6,911,085**)	(8,787,058)
Repayment of interest during the year/ period	(**243,400**)	(212,942)
At end of the year/ period (13(l))	**8,436,908**	53,162

The loan payable to GMR Infrastructure Limited is unsecured, bears an interest of 6% and is repayable by 22 March 2021.

13 RELATED PARTY TRANSACTIONS

During the year ended 31 December 2019, the Company transacted with related entities. Details of the nature, volume of transactions and balances with the related entities are as follows:

(a) Loan payable - GMR Infrastructure (Overseas) Limited (Malta)- (affiliate)

The terms and condition of the loan with GMR Infrastructure (Overseas) Limited (Malta) has been disclosed in note 12 (c).

(b) Amount due to GMR Energy Projects (Mauritius) Limited (affiliate)

	2019 USD	2018 USD
At start of year/ period	**29,316,316**	33,788,316
Amount repaid during the year/ period	(**13,107,000**)	(4,472,000)
At end of year/ period (Note 11)	**16,209,316**	29,316,316

The amount due to GMR Energy Projects (Mauritius) Limited is unsecured, interest free and repayable on demand.

13 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Amount due to GMR Energy (Projects) Mauritius Limited (affiliate)

	2019 USD	2018 USD
Additions during the year/ period	**1**	-
At end of year/ period (Note 11)	**1**	-

(d) Amount receivable from GMR Energy (Netherland) BV ('GENBV')

	2019 USD	2018 USD
At start of the year/ period	**-**	400,000
Amount refunded during the year/ period	**-**	(400,000)
At end of year/period	-	-

The amount advanced to GMR Energy (Netherland) BV ('GENBV') was unsecured, interest free and repayable on demand and has been fully refunded as of 31 December 2018.

(e) Amount due from GMR Infrastructure (Mauritius) Limited (Affiliate)

	2019 USD	2018 USD
At start of the year/ period	**800,000**	800,000
Repayment during the year/ period	(**800,000**)	-
At end of year/period (Note 7)	**-**	800,000

The amount due from GMR Infrastructure (Mauritius) Limited was unsecured, interest free and repayable on demand and has been fully repaid during the year under review.

(f) Amount receivable from/ (advance from) PT Golden Energy Mines (affiliate)

	2019 USD	2018 USD
At start of the year/ period	**145,091**	(3,080,531)
Consideration for disposal of non current assets held for sale (Note 7 (i))	-	4,468,686
Part consideration received during the year /period (Note 7(i))	**-**	(1,019,620)
Tax paid during the year/ period	-	(223,434)
Bank charges suffered during the year/ period	**-**	(10)
At end of year/ period (Note 7)	**145,091**	145,091

The amounts receivable from PT Golden Energy Mines refers to disposal proceeds receivable for the sale of non current assets held for sale and is unsecured, interest free and repayable on demand.

13 RELATED PARTY TRANSACTIONS (CONTINUED)

(g) Loan receivable - GMR Energy (Cyprus) Limited

	2019 USD	2018 USD
At start of the year/ period	**472,127**	448,358
Interest receivable during the year/ period	**16,488**	23,769
Repayment of principal during the year/ period	**(400,000)**	-
Repayment of interest during the year/ period	**(88,615)**	-
At end of the year/ period (Note 7)	**-**	472,127

Loan of USD 426,969 assigned from GMR Energy Projects (Mauritius) Limited ('GEPML') including interest receivable of USD 61,646 was unsecured, bore interest of 6 months+ 500 basis points per annum and was receivable on demand. The loan amount including the interest receivable has been fully repaid during the year under review.

(h) Loan receivable - GMR Energy (Netherland) BV

	2019 USD	2018 USD
At start of the year/ period	**13,630,962**	60,659,150
Loan advanced during the year/ period (Note ((h) (iii))	**40,000**	1,000
Interest receivable during the year/ period	**69,149**	204,853
Repaid during the year/ period	**-**	(47,234,041)
At end of the year/ period (Note 7)	**13,740,111**	13,630,962

(i) Loan of USD 35,603,250 assigned from GMR Energy Projects (Mauritius) Limited ('GEPML') including including net off of USD 994,298 and interest receivable of USD 306,703 is unsecured, bears interest of 0.5% per annum and is repayable on demand. Following repayment of USD 21,228,212 during period ended 31 December 2018 against the loan amount, the current balance amounts to USD 13,380,740 including interest receivable of USD 306,705;

(ii) Loan of USD 25,712,915 assigned from GMR Infrastructure (Mauritius) Limited including interest receivable of USD 97,211 was unsecured, bore interest of 1% per annum and was repayable by on demand. The loan amount including interest receivable was fully repaid during period ended 31 December 2018;

(iii) Loan of USD 51,000 (31 December 2018: USD 11,000) granted from GMR Energy (Netherland) BV including interest receivable of USD 1,666 is unsecured, bears interest of 3.5% per annum and is repayable on demand;

(i) Loan receivable - PT Barasentosa Lestari

	2019 USD	2018 USD
At start of the year/ period	**4,000,000**	-
Loan advanced during the year/ period	-	4,000,000
At end of the year/ period (Note 7)	**4,000,000**	4,000,000

Loan of USD 4,000,000 was advanced to PT Barasentosa Lestari to meet its financial obligations. The loan is interest free and repayable on demand.

13 RELATED PARTY TRANSACTIONS (CONTINUED)

(j) Loan payable - GMR Airports (Mauritius) Limited - (Affiliate)

The terms and conditions of the loan payable to GMR Airports (Mauritius) Limited has been disclosed in note 12 (d).

(k) Loan payable - GMR Holdings (Mauritius) Limited - (Affiliate)

The terms and conditions of the loan payable to GMR Holdings (Mauritius) Limited has been disclosed in Note 12 (f).

(l) Loan payable - GMR Infrastructure Limited -(affiliate)

The terms and conditions of the loan payable to GMR Infrastructure Limited has been disclosed in Note 12 (h).

(m) Loan payable – GADL International Limited -(affiliate)

The terms and conditions of the loan payable to *GADL International Limited* has been disclosed in Note 12 (b).

(n) Loan payable – Indo Tausch Trading DMCC -(affiliate)

The terms and conditions of the loan payable to *Indo Tausch Trading DMCC* has been disclosed in Note 12 (a).

(o) Loan payable – GMR Infrastructure (Singapore) Pte Limited -(affiliate)

The terms and conditions of the loan payable to *GMR Infrastructure (Singapore) Pte Limited* has been disclosed in Note 12 (g).

(p) Fees to management entity of the Company – Ocorian Corporate Services (Mauritius) Limited

	2019 USD	2018 USD
Fees paid during the year/ period	**26,104**	45,827
Fees accrued at end of the year/ period	**6,271**	9,011

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

14 NOTES TO STATEMENT OF CASHFLOWS

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.

(a) Reconciliation of liabilities arising from financing activities

		Cash changes	
	01 January 2019 USD	Financing cash flows USD	31 December 2019 USD
Share application monies	**52,733,904**	**2,769,996**	**55,503,900**
Loan advanced	**298,470,058**	**41,815,000**	**340,285,058**
Loan repaid	**(81,346,663)**	**(40,405,091)**	**(121,751,754)**

15 PARENT AND ULTIMATE PARENT

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

16 GOING CONCERN

The Company generated profits amounting to **USD 64,456,305** (Period from 01 April 2018 to 31 December 2018: loss of USD 250,119,685) for the year ended 31 December 2019 and as at that date, its total liabilities exceeded its total assets by **USD 131,481,857** (2018: USD 198,708,159). The holding company has confirmed that it will continue to provide financial support to the Company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

17 COMPARATIVES

The current year figures are for the year ended 31 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.

18 EVENTS AFTER 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.