GMR ENERGY PROJECTS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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GMR ENERGY PROJECTS (MAURITIUS) LIMITED

COMPANY INFORMATION

		Date of appointment
DIRECTORS:	Diwan Prakash	06 March 2018
	Rishikesh Batoosam	30 June 2020
	Akash Beesham Ramessur	05 October 2020

ADMINISTRATOR & SECRETARY:
Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A
1 Exchange Square
Wall Street, Ebene
Mauritius

REGISTERED OFFICE:
Level 6, Tower A
1 Exchange Square
Wall Street, Ebene
Mauritius

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

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

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

COMMENTARY OF THE DIRECTORS

The directors are pleased to present their commentary together with the audited financial statements of GMR Energy Projects (Mauritius) Limited (the "Company") for the year ended 31 December 2022.

ACTIVITIES OF THE COMPANY

The Company provides operations support and technical services relating to power projects of the GMR Group and also acts as an investment holding company.

RESULTS AND DIVIDENDS

The Company's profit for year ended 31 December 2022 was **USD 14,399,923** (2021: Loss of USD 2,662,487).

The directors do not recommend the payment of a dividend for the year under review (2021: 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 Mauritius Companies Act. 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. The Company has received a letter of support from its ultimate holding company to enable it to meet its obligations as they fall due.

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 of the shareholder.

DS

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

....
By order of the board

Secretary

Date: 12 May 2023

SECRETARY'S CERTIFICATE
TO THE MEMBER OF GMR ENERGY PROJECTS (MAURITIUS) LIMITED

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

We certify, as secretary of the Company, that based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies for the year ended 31 December 2022, all such returns as are required of the Company under the Mauritius Companies Act.

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED
SECRETARY

Date: 12 May 2023

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GMR ENERGY PROJECTS (MAURITIUS) LIMITED

Report on the Audit of Financial Statements

We have audited the financial statements of GMR Energy Projects (Mauritius) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 40.

In our opinion, these financial statements give a true and fair view of the financial position of GMR Energy Projects (Mauritius) Limited as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 Note 2 to the financial statements which indicates that the Company incurred a profit of USD 14,399,923 for the year ended 31 December 2022 and as that date, the Company's total liabilities exceeded its total assets by USD 247,400,164. The note also indicates why in these circumstances, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

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 ENERGY PROJECTS (MAURITIUS) 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 and in compliance with the requirements of the Mauritius Companies Act. 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 ENERGY PROJECTS (MAURITIUS) 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: 12 May 2023

Vijay Bhuguth, FCCA
Licensed by FRC

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 USD	2021 USD
INCOME		**-**	-
EXPENSES			
Interest expense	12 (b)	**2,782,659**	2,782,659
Secretarial and administration fees		**6,405**	5,579
Rental expense		**5,770**	5,520
Accountancy fees		**4,496**	4,496
Audit fee		**3,530**	3,450
Directors' fees		**2,400**	2,400
Licence and registration fees		**1,920**	2,300
Bank charges		**1,300**	1,330
Tax fees		**804**	804
Professional fees		**-**	33,948
Total expenses		**2,809,284**	2,842,486
LOSS FROM OPERATIONS		**(2,809,284)**	(2,842,486)
Reversal of impairment of amount receivable from affiliate	14 (b) (i)	**19,920,000**	180,000
Fair value loss on financial asset at fair value through profit or loss	7	**(2,710,793)**	-
Reversal of impairment of investment in subsidiary	5	**-**	34,191,217
Investment in subsidiary written off	5	**-**	(34,191,218)
Reversal of impairment of financial asset at fair value through other comprehensive income	6(ii)	**-**	474,085
Investment at fair value through other comprehensive income written off	6(ii)	**-**	(474,085)
PROFIT / (LOSS) BEFORE INCOME TAX		**14,399,923**	(2,662,487)
Income tax expense	13	**-**	**-**
PROFIT / (LOSS) FOR THE YEAR		**14,399,923**	(2,662,487)
OTHER COMPREHENSIVE INCOME			
Loss on the fair value of equity investments at fair value through other comprehensive income	6 (iii)	**(1,106,509)**	(3,702,719)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(1,106,509)**	(3,702,719)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,293,414**	(6,365,206)

The notes on pages 12 to 40 form an integral part of these financial statement.

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 USD	2021 USD
ASSETS			
Non-current assets			
Financial assets at fair value through other comprehensive income	6	**6,446,772**	7,553,281
Financial assets at fair value through profit or loss	7	**17,209,207**	-
Total non-current assets		**23,655,979**	7,553,281
Current assets			
Financial assets at amortised cost	8	**500**	21,000
Other receivables	9	**1,613**	1,603
Cash and cash equivalents	10	**1,658**	7,300
Total current assets		**3,771**	29,903
TOTAL ASSETS		**23,659,750**	7,583,184
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	**10,000**	10,000
Fair value reserve		**(23,336,827)**	(22,230,318)
Accumulated losses		**(224,073,337)**	(238,473,260)
Shareholder's deficit		**(247,400,164)**	(260,693,578)
Liabilities			
Current liabilities			
Loans payable	12	**271,053,932**	268,271,273
Accruals		**5,982**	5,489
Total current liabilities		**271,059,914**	268,276,762
TOTAL EQUITY AND LIABILITIES		**23,659,750**	7,583,184

Authorised for issue by the Board of directors on 12 May 2023 and signed on its behalf by:

DocuSigned by:
91CB1B11EA0E404
Director

DocuSigned by:
9A30FCBDBFB7498...
Director

The notes on pages 12 to 40 form an integral part of these financial statements.

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Stated capital USD	Fair value reserve USD	Accumulated losses USD	Total USD
At 01 January 2021	10,000	(18,527,599)	(235,810,773)	(254,328,372)
Total comprehensive income for the year				
Loss for the year	-	-	(2,662,487)	(2,662,487)
Other comprehensive income	-	(3,702,719)	-	(3,702,719)
Total comprehensive income for the year	-	(3,702,719)	(2,662,487)	(6,365,206)
At 31 December 2021	10,000	(22,230,318)	(238,473,260)	(260,693,578)
Total comprehensive income for the year				
Profit for the year	**-**	**-**	**14,399,923**	**14,399,923**
Other comprehensive income for the year	**-**	**(1,106,509)**	**-**	**(1,106,509)**
Total comprehensive income for the year	**-**	**(1,106,509)**	**14,399,923**	**13,293,414**
At 31 December 2022	**10,000**	**(23,336,827)**	**(224,073,337)**	**(247,400,164)**

The notes on pages 12 to 40 form an integral part of these financial statements.

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 USD	2021 USD
Cash flows from operating activities			
Profit / (loss) before income tax		**14,399,923**	(2,662,487)
Adjustments for:			
Interest expense		**2,782,659**	2,782,659
Reversal of impairment of investment in subsidiary	5	**-**	(34,191,217)
Reversal of impairment on amount receivable from affiliate		**(19,920,000)**	(180,000)
Reversal of impairment of financial asset at fair value through other comprehensive income written off		**-**	(474,085)
Investment in subsidiary written off		**-**	34,191,218
Investment in financial asset at fair value through other comprehensive income written off		**-**	474,085
Fair value loss on financial asset at fair value through profit and loss	7	**2,710,793**	-
Changes in working capital:			
Change in other receivables		**(10)**	350
Change in accruals		**493**	(1,323)
Net cash used in operating activities		**(26,142)**	(60,800)
Cash flows from investing activities			
Acquisition of financial asset at fair value through profit or loss		**(18,600,000)**	-
Amount repaid by affiliates	14 (b) (i)	**19,920,000**	191,000
Advance to affiliate	14 (b) (ii)	**(1,299,500)**	(27,000)
Net cash from investing activities		**20,500**	164,000
Cash flow from financing activity			
Loan repaid to related party	14 (a)(ii)	**-**	(98,000)
Net cash used in financing activity		**-**	(98,000)
Net movement in cash and cash equivalents		**(5,642)**	5,200
Cash and cash equivalents at start of the year		**7,300**	2,100
Cash and cash equivalents at end of the year		**1,658**	7,300

The notes on pages 12 to 40 form an integral part of these financial statements.

1 GENERAL INFORMATION

GMR Energy Projects (Mauritius) Limited is a private limited company, incorporated in Mauritius on 07 December 2010. The Company holds a Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius.

The Company provides operations support and technical services relating to power projects of the GMR Group and also act as an investment holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Basis of presentation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention except for financial assets measured at fair value through other comprehensive income, fair value through profit or loss and financial assets and liabilities measured at amortised cost.

The preparation of financial statements in conformity with IFRS as modified by Mauritius Companies Act requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

The Company has incurred a profit of **USD 14,399,923** for the year ended 31 December 2022 (2021: loss of USD 2,662,487) and as at reporting date the Company had a shareholder's deficit of **USD 247,400,164** (2021: USD 260,693,578). The Company has received a letter of support from its ultimate 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.

2.1 Changes in accounting policies and disclosures

(i) New and amended standards adopted by the Company

In the current year, the Company has applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 January 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Changes in accounting policy and disclosures (continued)

(i) New and amended standards adopted by the Company (continued)

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

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Specific policies applicable from 1 January 2022 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permits the hedging relationship to be continued without interruption. The Company applied the following reliefs as and when uncertainty arising from interest rate benchmark reform was no longer present with respect to the timing and amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Company amended the designation of a hedging relationship to reflect changes that were required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge was amended to reflect the changes that were required by the reform, the amount accumulated in the cash flow hedge reserve was deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Changes in accounting policy and disclosures (continued)

(i) New and amended standards adopted by the Company (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

• IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

The above-mentioned amendments did not have any major impact on the Company's financial statements for the year ended 31 December 2022 .

(ii) New standards and interpretations that are not yet effective and have not been early adopted by the Company

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (Effective for annual periods beginning on or after 01 January 2024)

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 01 January 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Changes in accounting policy and disclosures (continued)

(ii) New standards and interpretations that are not yet effective and have not been early adopted by the Company (continued)

Definition of Accounting Estimates - Amendments to IAS 8 (Effective for annual periods beginning on or after 01 January 2023)

Estimates– Amendments to IAS 8 The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (Effective for annual periods beginning on or after 01 January 2023)

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (Effective for annual periods beginning on or after 01 January 2023)

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Changes in accounting policy and disclosures (continued)

(ii) New standards and interpretations that are not yet effective and have not been early adopted by the Company (continued)

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 (Effective for annual periods beginning on or after 01 January 2024)

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Classification of Non-current Liabilities with Covenants – Amendments to IAS 1 (Effective for annual periods beginning on or after 01 January 2024)

Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The directors have not yet assessed the potential impact of the adoption of these new standards, amendments and interpretations issued but not yet effective.

2.2 Summary of significant accounting policies

(a) 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 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.

(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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Current and deferred income tax

The tax expense for the year comprises current tax and deferred tax only. 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets 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 loses 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.

Investments in subsidiary

Subsidiary is an entity 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. Subsidiary is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in subsidiary 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 profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Consolidated financial statements

The financial statements contain information about GMR Energy Projects (Mauritius) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company owned 100% in GMR Energy (Cyprus) Limited as at 31 December 2021. The Company had taken advantage of the exemption provided by the Mauritius Companies Act allowing a wholly owned or virtually wholly owned parent company holding a Global Business Licence not to present consolidated financial statements. The ultimate parent, GMR Power and Urban Infra Limited (Previously known as GMR Infrastructure Limited), a company incorporated in India, prepares consolidated financial statements in accordance with Indian Accounting Standards (referred to as "Ind AS"). The registered office of the ultimate parent is Naman Centre, 7th Floor, Opp. Dena Bank, Plot No.C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

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, as set out in IFRS 9:

- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(a) Classification and initial measurement (continued)

At initial recognition, an entity 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 designated at fair value through OCI*

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's financial assets at FVOCI include investments in GMR Generation Assets Limited and GMR Energy Limited.

- *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 FVTPL include investments held in GMR Energy Mauritius Limited.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(b) Subsequent measurement (continued)

(ii) 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 amount receivable from related parties, and cash and cash equivalents which are subsequently measured as described below.

Amount due from related parties

Amount due from related parties are the contractual amounts for the settlement of other obligations due to the Company.

Amount due from related parties 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.

(c) Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets. 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). For further details see note 4(b).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 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 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 and borrowings and payables, net of directly attributable transaction costs.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of 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) Loan payable

After initial recognition, interest-bearing loan payable 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.

(ii) Accruals

Accruals are obligations to pay for services that have been acquired in the ordinary course of the business from service providers. Accruals are classified as current liabilities as payments are due within one year.

Accruals are recognised initially at 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 liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Stated capital

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

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.

Dividend income and interest income are recognised gross of withholding taxes.

Provisions

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.

Expenses recognition

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and judgments that affect the reported amounts of assets and liabilities within the next period. Estimates and judgments 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 Dollar ("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 monies from related parties.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Fair valuation of financial asset at fair value through other comprehensive income and financial asset at fair value through profit and loss.

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

There has been a global outbreak of a novel strain of COVID -19 which has caused widespread disruption to financial markets and normal patterns of business activity across the world. The directors have assessed the potential impact from the fluctuation in the price of financial instruments and changes in foreign exchange rates and considers that the impact is not material to the financial statements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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. Risk 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

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to currency risk since its financial assets and liabilities are denominated in USD, its functional currency.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

(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 interest bearing financial liabilities such as loans payable. Loan payable bear fixed rate of interest.

	2022	2021
	USD	USD
Fixed rate instruments		
Loans payable	**271,053,932**	268,271,273
	=========	=========

(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 significant exposure to price risk at year end.

(b) Credit risk

Credit risk arises from cash and cash equivalents, financial asset at amortised cost and at fair value through other comprehensive income (FVOCI).

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 as the Company transacts with reputable banks.

Financial assets at amortised cost

As at 31 December 2022, the financial asset at amortised cost include amount of **USD 500** (2021: USD 21,000) due from related parties. During the year 2022 and 2021, the directors have assessed the recoverability of the amount receivable from GMR Infrastructure (Overseas) Limited. Management does not foresee any significant credit risk involving the remaining amount receivable. Therefore, no expected credit loss has been recognised as at 31 December 2022.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk

Liquidity is the risk that the Company is unable to meet its payment obligations associated with its financial abilities as they fall due.

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

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

2022	**Due on demand USD**	**Within 1 year USD**	**Total USD**
Financial liabilities			
Loans payable	**271,053,932**	**-**	**271,053,932**
Accruals	**-**	**5,982**	**5,982**
Total financial liabilities	**271,053,932**	**5,982**	**271,059,914**
2021			
Financial liabilities			
Loans payable	268,271,273	-	268,271,273
Accruals	-	5,489	5,489
Total financial liabilities	268,271,273	5,489	268,276,762

Fair values

The carrying amounts of financial asset at other comprehensive income, financial asset through profit or loss, financial assets at amortised cost, cash and cash equivalents, loans payable and accruals approximate their fair values.

The Company has investment at fair value through other comprehensive income and through profit or loss in unquoted securities. The unquoted securities have underlying investments. Operating investments are valued using discounted cash flow analysis while non-operating investments are valued at net book value.

The following table included in this note analyses financial instrument measured at fair value by the level in the fair value hierarchy into which the fair value measurement is categorised.

- 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); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
- Recurring fair value measurements.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values (continued)

Valuation technique used to derive Level 3

The Company has determined the fair value of the investments at fair value through profit or loss classified as level 3 by taking an ownership percentage of the net asset value reported by the subsidiary at the end of the reporting year.

The following table details the fair value hierarchy of the investment at fair value through profit or loss and fair value through other comprehensive income.

2022	**Level 3** **USD**	**Total** **USD**
Financial assets at fair value through other comprehensive income		
-Equity securities	**6,446,772**	**6,446,772**
	=========	=========
Financial assets at fair value through profit or loss		
-Debt instruments	**17,209,207**	**17,209,207**
	=========	=========
2021		
Financial assets at fair value through other comprehensive income		
-Equity securities	7,553,281	7,553,281
	=========	=========

Reconciliation of Level 3 financial asset measured at fair value through profit or loss and fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income	**2022** **USD**	**2021** **USD**
At start of the year	**7,553,281**	11,256,000
Reversal of fair value loss during the year	**-**	474,085
Amount written off during the year	**-**	(474,085)
Unrealised loss recognised in other comprehensive income	**(1,106,509)**	(3,702,719)
	----------------	----------------
At end of the year	**6,446,772**	7,553,281
	=========	=========

Financial assets at fair value through profit or loss	**2022** **USD**	**2021** **USD**
At start of the year	**-**	-
Addition during the year	**19,920,000**	
Unrealised loss recognised in profit or loss	**(2,710,793)**	-
	----------------	----------------
At end of the year	**17,209,207**	-
	=========	=========

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by category (continued)

Capital risk management

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company's capital position is undertaken by the management team of the Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely fashion.

The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements such as foreign exchange and interest rate. To maintain or adjust the capital structure, the Company may issue new shares or request additional funding from its shareholder.

Financial instruments by category

	Financial assets at amortised cost USD	Financial assets at fair value through other comprehensive income USD	Financial assets at fair value through Profit or loss USD	Total USD
2022				
Financial assets				
Financial assets at fair value through other comprehensive income	-	6,446,772	-	6,446,772
Financial assets at fair value through profit or loss	-	-	17,209,207	17,209,207
Amount due from related party	500	-	-	500
Cash and cash equivalents	1,658	-	-	1,658
Total financial assets	**2,158**	**6,446,772**	**17,209,207**	**23,658,137**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by category (continued)

	Financial assets at amortised cost USD	Financial assets at fair value through other comprehensive income USD	Total USD
2021			
Financial assets			
Financial assets at fair value through other comprehensive income	-	7,553,281	7,553,281
Amount due from related party	21,000	-	21,000
Cash and cash equivalents	7,300	-	7,300
Total financial assets	28,300	7,553,281	7,581,581

	Financial liabilities at amortised cost 2022 USD	2021 USD
Financial liabilities		
Loans payable	**271,053,932**	268,271,273
Accruals	**5,982**	5,489
Total financial liabilities	**271,059,914**	268,276,762

5. INVESTMENT IN SUBSIDIARY

	2022 USD	2021 USD
Unquoted investments at carrying amount:		
Cost:		
At start of the year	**-**	34,191,218
Written off during the year	**-**	(34,191,218)
At end of the year	**-**	-
Impairment:		
At start of the year	**-**	(34,191,217)
Movement during the year	**-**	34,191,217
At end of the year	**-**	-
Total carrying amount	**-**	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Company considers this classification to be more relevant.

(i) GMR Generation Assets Limited	**2022 USD**	2021 USD
Cost:		
At start/ end of the year	**453,123**	453,123
Impairment:		
At start/ end of the year	**(401,670)**	(401,670)
Fair value:		
At start/ end of the year	**(51,453)**	(51,453)
Carrying amount at year end	**-**	-

(ii) GMR Power Infra Limited	**2022 USD**	2021 USD
Cost:		
At start of the year	**-**	474,085
Written off during the year	**-**	(474,085)
At end of the year	**-**	-
Impairment:		
At start of the year	**-**	(474,085)
Reversal during the year	**-**	474,085
At end of the year	**-**	-
Carrying amount at year end	**-**	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

	2022 USD	2021 USD
(iii) GMR Energy Limited - equity		
Cost:		
At start/ end of the year	**165,000,001**	165,000,001
Impairment:		
At start/ end of the year	**(135,267,855)**	(135,267,855)
Fair value:		
At start of the year	**(22,178,865)**	(18,476,146)
Movement during the year	**(1,106,509)**	(3,702,719)
At end of the year	**(23,285,374)**	(22,178,865)
Carrying amount at year end	**6,446,772**	7,553,281

	2022 USD	2021 USD
(iv) GMR Energy Limited - Compulsorily convertible preference shares		
Cost:		
At start/ end of the year	**14,371,337**	14,371,337
Impairment:		
At start/ end of the year	**(14,371,337)**	(14,371,337)
Carrying amount at year end	**-**	-
Total carrying amount at end of year	**6,446,772**	7,553,281

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

At 31 December 2022, the net asset value has been used to fair value the investment held in GMR Energy Limited. The underlying investments have been fair valued using discounted cash flow (operating investments) and net asset value (non-operating investments). This has resulted in a downward revaluation amounting to USD **1,106,509** for the investees (2021: USD 3,702,719).

Equity investments at FVOCI comprise of the following individual investments:

Name of investee companies	Country of incorporation	Class of shares held	Type of investment	Number of shares		% holding		Cost		Carrying amount	
				2022	**2021**	**2022**	2021	**2022 USD**	2021 USD	**2022 USD**	2021 USD
GMR Generation Assets Limited	India	Equity	Unquoted	**57,167**	57,167	**0.003**	0.003	**453,123**	453,123	**-**	-
GMR Power Infra Limited	India	Equity	Unquoted	**-**	-	**-**	-	**-**	474,085	**-**	-
GMR Energy Limited	India	Equity	Unquoted	**141,211,225**	141,211,225	**4.18**	4.18	**165,000,001**	165,000,001	**6,446,772**	7,553,281
GMR Energy Limited	India	Compulsorily convertible preference shares	Unquoted	**9,701,492**	9,701,492	**4.46**	4.46	**14,371,337**	14,371,337	**-**	-
								179,824,461	180,298,546	**6,446,772**	7,553,281

The principal activity of GMR Generation Assets Limited ("GGAL") formerly known as GMR Renewable Energy Limited) is to invest in infrastructure projects in the power sector across the world, including India. The investment has been fully impaired during the year ended 31 December 2021. The principal activity of GMR Power Infra Limited ("GPIL") is to maintain and operate all types of power plants and has wind up during the year 2021. GMR Energy Limited ("GEL") is engaged in the business of generation and sale of energy. Following the amalgamation and restructuring of GMR Generation Assets Limited ("GGAL") during the year ended 31 December 2021, the Company holds **57,167** equity shares (2021: 57,167 equity shares) resulting in a dilution of shareholding to **0.003%** (2021: 0.003%) in GGAL.

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6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

Amounts recognised in profit or loss and other comprehensive income

During the year, the following losses were recognised in other comprehensive income.

	2022 USD	2021 USD
Losses recognised in other comprehensive income	**(1,106,509)**	(3,702,719)
	=========	=========

Fair value, impairment and risk exposure

All of the financial assets at FVOCI are denominated in USD currency units except for the asset held under GMR Generation Assets Limited which is denominated in INR currency. For an analysis of the sensitivity of the assets to price and interest rate risk refer to note 4(a).

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 USD	2021 USD
GMR Energy Mauritius Limited		
At fair value:		
At start of the year	**-**	-
Acquired during the year	**18,600,000**	-
Amount receivable converted during the year (Note 14 b (ii))	**1,320,000**	-
Fair value movement during the year	**(2,710,793)**	-
	------------------	------------------
Carrying amount at year end	**17,209,207**	-
	=========	=========

During the year 2022, GMR Energy (Mauritius) Limited made a capital reduction from USD 19,920,000 to USD 17,209,207. The reduction in value of USD 2,710,793 has been accounted as fair value loss on financial asset at fair value through profit or loss in the statement of comprehensive income.

Equity investments at FVTPL comprise of the following investment:

Name of investee company	Country of incorporation	Class of shares held	% Holding	Number of shares	Cost 2022 USD	Cost 2021 USD	Carrying amount 2022 USD	Carrying amount 2021 USD
GMR Energy Mauritius Limited	Mauritius	Redeemable class B preference shares	99.9995%	19,920,000	**19,920,000**	-	**17,209,207**	-
					=======	====	=======	====

8. FINANCIAL ASSETS AT AMORTISED COST

The Company classifies its financial assets 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:

	2022	2021
	USD	USD
Amount due from related parties (Note 14 (b) (ii))	**500**	21,000
	========	========

Impairment and risk exposure

The directors have assessed the recoverability of the amount receivable from GMR Infrastructure (Overseas) Limited and have come to the opinion that the amount receivable will be recovered. As a result, a reversal of impairment and repayment of USD 180,000 was made during the year ended 31 December 2021. During the year ended 31 December 2022 a reversal of impairment and repayment of **USD 19,920,000** was made.

Note 4 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.

9. OTHER RECEIVABLES

	2022	2021
	USD	USD
Non - financial assets:		
Rental deposit	**628**	628
Prepayments	**985**	975
	--------------	--------------
	1,613	1,603
	=======	=======

10. CASH AND CASH EQUIVALENTS

	2022	2021
	USD	USD
Cash at bank		
Current accounts	**1,658**	7,300
	=======	=======

11. STATED CAPITAL

	Number of shares			
	2022	2021	**2022 USD**	2021 USD
Issued and fully paid up				
At start and end the of year	**10,000**	10,000	**10,000**	10,000

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.

12. LOANS PAYABLE

	2022 USD	2021 USD
(a) Loan from affiliate (Note 14 (a) (ii))	**-**	-

The terms and conditions of the loan are disclosed in note 14 (a)(ii).

(b) Convertible debenture	**2022 USD**	2021 USD
At start of the year	**268,271,273**	265,488,614
Interest payable during the year	**2,782,659**	2,782,659
At end of the year (Note 14 (a) (i))	**271,053,932**	268,271,273
Total loans payable	**271,053,932**	268,271,273

12. LOANS PAYABLE (CONTINUED)

Pursuant to the Convertible Debenture Agreement ("agreement") entered between the Company and GMR Infrastructure (Singapore) Pte Ltd ('GMRIS"), the Company has issued USD 100,000,000 optionally convertible debentures. The debenture bears interests on the principal amount at the rate of 1.1% per annum until the date of repayment. The principal amount and the interest payable shall be repaid on full on demand of GMRIS or shall be converted into ordinary shares upon service of a conversion notice. Pursuant to the third amendment agreement dated 5 December 2014, the aggregate amount of optionally convertible debenture that can be issued had increased to USD 300,000,000, out of which USD 249,503,666 has already been issued up to 31 March 2018. The remaining terms and conditions of the original agreement still remain as at 31 December 2022.

Pursuant to the resolution dated 27 July 2017, the Company has agreed to transfer the optionally convertible debentures (the "OCDs") held by GMR Infrastructure (Singapore) Pte Ltd ("GISPL") to GMR Infrastructure (Mauritius) Ltd ("GIML") at a consideration of USD 75,850,000 based on the fair value of OCDs but subject to release of charge held by Axis bank on the OCDs. As at 31 December 2022, the pledge has not been released by Axis Bank.

13. INCOME TAX EXPENSE

India

The Company invests in India and the directors expect to obtain benefits under the double taxation treaty between India and Mauritius. To obtain benefits under the double taxation treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certification from the Mauritian authorities and believes such certification is determinative of its resident status for treaty purposes.

On 10 May 2016, the Government of India and Mauritius announced the signing of a Protocol amending the provisions of the India-Mauritius tax treaty.

The Protocol, inter alia, provides for capital gains arising on disposal of shares acquired by a company resident in Mauritius on or after 01^{st} April 2017 to be taxed in India.

However, investments in shares acquired up to 31 March 2017 will be grandfathered, thus exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 01^{st} April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius. The directors have assessed the impact of the change in the tax treaty on investments made by the Company on or after April 2017 and the change is not expected to have material impact on the Company's financial statements.

13. INCOME TAX EXPENSE (CONTINUED)

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%.

The Company is 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 is 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 2022, the Company had accumulated tax losses of **USD 10,684,647** (2021: USD 13,418,431**)** and is 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 2023	**2,838,442**
31 December 2024	**4,943,332**
31 December 2025	**2,816,421**
31 December 2026	**59,827**
31 December 2027	**26,625**
	10,684,647

The tax losses lapsed of the Company are as follows:

Up to the years ending:

	USD
31 December 2019	**98,727**
31 December 2020	**101,241**
31 December 2021	**2,824,852**
31 December 2022	**2,760,409**
	5,785,229

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

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13. INCOME TAX EXPENSE (CONTINUED)

A reconciliation between the accounting loss and the actual tax charge is presented below:

	2022	2021
	USD	USD
Profit / (loss) before tax	**14,399,923**	(2,662,487)
Applicable income tax at the rate of 15%	**2,159,988**	(399,373)
Impact of:		
Expenses not deductible for tax purposes	**824,018**	5,199,795
Non-taxable income	**(2,988,000)**	(5,226,795)
Deferred tax asset	**3,994**	426,373
Income tax charge	**-**	-

Deferred income tax

A deferred income tax asset of **USD 1,602,697** (2021: USD 2,430,163) 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.

14. RELATED PARTY TRANSACTIONS

The Company transacted with related parties. Details of the nature, volume of transactions and the balances are as follows:

(a) Loans payable

(i) GMR Infrastructure (Singapore) Pte Ltd - affiliate

The terms and conditions for the debenture of **USD 271,053,932** (2021: USD 268,271,273**)** granted by GMR Infrastructure (Singapore) Pte Ltd has been disclosed in Note 12(b).

	2022	2021
	USD	USD
(ii) GMR Infrastructure (Mauritius) Ltd - affiliate		
At start of the year	**-**	98,000
Repayment during the year	**-**	(98,000)
At end of the year (Note 12 (a))	**-**	-

The loan was unsecured, interest free and repayable on demand.

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Amount due from affiliate	**2022**	2021
	USD	USD
(i) GMR Infrastructure (Overseas) Limited		
At start of the year	**34,010,209**	34,190,209
Repayment during the year	**(19,920,000)**	(180,000)
At end of the year	**14,090,209**	34,010,209
Impairment:		
At start of the year	**(34,010,209)**	(34,190,209)
Movement during the year	**19,920,000**	180,000
At end of the year	**(14,090,209)**	(34,010,209)
Carrying amount at end of the year	**-**	-
(ii) GMR Energy (Mauritius) Limited		
At start of the year	**21,000**	5,000
Advance during the year	**1,299,500**	27,000
Repayment during the year	**-**	(11,000)
Amount converted to class B redeemable preference shares (Note 7(i))	**(1,320,000)**	-
At end of the year (Note 8)	**500**	21,000
Total amounts due from affiliates	**500**	21,000

The amounts due from affiliates are unsecured, interest free and repayable on demand.

(c) Key Management services

Ocorian Corporate Services Limited -Administrator

Expenses including directors' fees incurred by the Company	**14,105**	13,279
Outstanding balance	**2,520**	2,095

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

GMR ENERGY PROJECTS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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15. NOTES TO STATEMENT OF CASH FLOWS

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.

Reconciliation of liabilities arising from financing activities

2022	**01 Jan**	**Cash changes Financing cash flows movements**	**Non-cash changes Financing cash flows movements**	**31 December**
	USD	**USD**		**USD**
Advance to related party	**21,000**	**1,299,500**	**(1,320,000)**	**500**
2021				
Loan repaid to related party	98,000	(98,000)	-	-
Advance to related party	5,000	16,000	-	21,000

16. PARENT AND ULTIMATE PARENT COMPANIES

The directors consider GMR Infrastructure (Overseas) Ltd, a company incorporated in Mauritius as the Company's parent and GMR Power and Urban Infra Limited (Previously known as GMR Infrastructure Limited), a company incorporated in India and listed on the Indian stock exchange as its ultimate parent.

17. EVENTS AFTER THE REPORTING DATE

There are no significant events after the reporting date requiring amendments in or disclosure to these financial statements for the year ended 31 December 2022.