# GMR POWER & URBAN INFRA (MAURITIUS) LTD
# (Previously known as GMR INFRASTRUCTURE (MAURITIUS) LIMITED)

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 DECEMBER 2022

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| | | | Date of appointment | Date of resignation |
|---|---|---|---|---|
| **DIRECTORS** | : | Narang Lilaram Suresh | 09 June 2020 | - |
| | | Rishikesh Batoosam | 30 June 2020 | - |
| | | Akash Ramessur | 05 October 2020 | - |
| | | Subash Sandeep | 31 March 2022 | - |
| | | Tummalapalli Srinivasa Subrahmanya Veerabhadra Lakshminarayana | 23 September 2016 | 31 March 2022 |
| | | Diwan Prakash Kumar | 08 May 2017 | - |

**ADMINISTRATOR AND SECRETARY :**

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

**REGISTERED OFFICE** :

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

**AUDITOR** :

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

**BANKERS** :

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

ICICI Bank UK PLC
One Thomas More Square
London
E1W 1YN

The directors are pleased to present their commentary together with the audited financial statements of GMR Power & Urban Infra (Mauritius) Ltd (Previously known as GMR Infrastructure (Mauritius) Limited) ("the Company") for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

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

**RESULTS AND DIVIDENDS**

The Company's profit for the year ended 31 December 2022 is **USD 101,030,451** (profit 2021: 25,149,982)

The directors do not recommend the payment of dividends 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, as modified by the exemption provided by the Mauritius Companies Act 2001, have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead. Refer to Note 2.

**AUDITOR**

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

**By Order of the Board**DS

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

**SECRETARY**

**SECRETARY'S CERTIFICATE**
**TO THE MEMBER OF GMR POWER & URBAN INFRA (MAURITIUS) LTD (Previously known as GMR INFRASTRUCTURE (MAURITIUS) LIMITED)**

**UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify, as secretary of GMR Power & Urban Infra (Mauritius) Ltd (Previously known as GMR Infrastructure (Mauritius) Limited) ("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 2001.

DS

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

**OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED**
COMPANY SECRETARY
Date : 11 May 2023

RSM (Mauritius)
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Moka, Mauritius

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**CONFIDENTIAL**
**Independent Auditor's Report**
**To the Shareholder of GMR Power & Urban Infra (Mauritius) Ltd (Previously known as GMR Infrastructure (Mauritius) Limited)**



This report is made solely to the shareholder of GMR Power & Urban Infra (Mauritius) Ltd (previously known as GMR Infrastructure (Mauritius) Limited) (the "Company"), in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder for our audit work, for this report, or for the opinion we have formed.

## Opinion

We have audited the financial statements of GMR Power & Urban Infra (Mauritius) Ltd set out on pages 8 to 35, 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.

In our opinion, the financial statements give true and fair view of the financial position of GMR Power & Urban Infra (Mauritius) Ltd as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Mauritius Companies Act 2001.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Relating to Going Concern

Without modifying our opinion, we draw attention to Note 2(i) in the financial statements which indicates that the Company was in a net current liability position at the reporting date of USD 2,016,340. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of financial support by its shareholder.

## Other Information

The directors are responsible for the other information. The other information comprises the Commentary of directors and Secretary's certificate as required by the Mauritius Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

**Other Information (Continued)**
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. Else, we have nothing to report in this regard.

**Responsibilities of the Directors and Those Charged with Governance for the Financial Statements**
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

**Auditor's 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.

*Report on Other Legal and Regulatory Requirements*

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor;
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

**RSM**
**Chartered Accountants**
**Moka, Mauritius**

**Prashant Calcutteea, FCA**
**Licensed by FRC**

Date: 11 May 2023

| | Notes | 2022 USD | 2021 USD |
|---|---|---|---|
| **INCOME** | | | |
| Gain on fair value of financial assets at fair value through profit or loss | 5 | - | 182,349 |
| Gain on disposal at fair value through profit or loss | 5 | **28,651** | - |
| Reversal of impairment on loan | 14(a(i)) | - | 98,000 |
| Reversal of impairment on deposit on shares | 8(i) | **16,283,899** | 28,750,000 |
| Profit on disposal | 4 | **84,903,579** | - |
| | | **101,216,129** | 29,030,349 |
| **EXPENSES** | | | |
| Other professional fees | | **664** | - |
| Secretarial and administration fees | | **13,653** | 13,884 |
| Audit fees | | **7,780** | 5,873 |
| Accountancy fees | | **7,136** | 7,000 |
| Directors' fees | | **2,400** | 2,400 |
| Licence and registration fees | | **2,220** | 2,300 |
| Tax fees | | **1,234** | 1,200 |
| Rental expense | | **5,976** | 5,733 |
| Custody fees | | **2,500** | 54,538 |
| Loss on disposal of financial assets at fair value through profit or loss | | - | 3,614,443 |
| Exchange loss | | - | 86 |
| Impairment of deposit on shares | 8(ii)(iii) | **3,798** | 133,509 |
| Investment in subsidiary written off | 4 | **1** | - |
| | | **47,362** | 3,840,966 |
| **OPERATING GAIN** | | **101,168,767** | 25,189,383 |
| Finance cost | 3 | **(138,316)** | (39,401) |
| **PROFIT BEFORE INCOME TAX** | | **101,030,451** | 25,149,982 |
| Income tax expense | 13 | - | - |
| **PROFIT FOR THE YEAR** | | **101,030,451** | 25,149,982 |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **101,030,451** | 25,149,982 |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

| | Notes | 2022 USD | 2021 USD |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in subsidiaries | 4 | **47,113,482** | 120,815,019 |
| Financial assets at fair value through profit or loss | 5 | **-** | 2,955 |
| Financial assets at fair value through other comprehensive income | 6 | **2,064** | 2,064 |
| **Total non-current assets** | | **47,115,546** | 120,820,038 |
| **Current assets** | | | |
| Other non-financial assets | 7 | **1,672** | 1,667 |
| Deposit on shares | 8(iv) | **1** | 1,211,469 |
| Cash and cash equivalents | 9 | **35,780** | 32,496 |
| **Total current assets** | | **37,453** | 1,245,632 |
| **Total assets** | | **47,152,999** | 122,065,670 |
| **EQUITY AND LIABILITIES** | | | |
| Stated capital | 10 | **320,550,001** | 320,550,001 |
| Share application monies | 12 | **34,450,000** | - |
| Treasury shares | 10 | **(432,178,574)** | (221,648,574) |
| Retained earnings | | **120,918,119** | 19,887,668 |
| **Total equity** | | **43,739,546** | 118,789,095 |
| **Non-current liability** | | | |
| Loans payable | 11 | **1,359,660** | 3,265,755 |
| **Current liabilities** | | | |
| Accruals | | **12,156** | 10,820 |
| Loans payable | 11 | **2,041,637** | - |
| **Total current liabilities** | | **2,053,793** | 10,820 |
| **Total liabilities** | | **3,413,453** | 3,276,575 |
| **Total equity and liabilities** | | **47,152,999** | 122,065, 670 |

Authorised for issue by the Board of directors on 11 May 2023
and signed on its behalf by

DocuSigned by:
9A30FCBDBFB7498...

Director
Akash Ramessur

DocuSigned by:
91CB1B11FA0F404...

Director
Rishikesh Batoosam

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

| | Stated capital USD | Share application monies USD | Treasury shares USD | Retained earnings USD | Total equity USD |
|---|---|---|---|---|---|
| As at 01 January 2021 | 320,550,001 | - | (221,648,574) | (5,262,314) | 93,639,113 |
| Profit for the year | - | - | - | 25,149,982 | 25,149,982 |
| At 31 December 2021 | 320,550,001 | - | (221,648,574) | 19,887,668 | 118,789,095 |
| Profit for the year | - | - | - | 101,030,451 | 101,030,451 |
| Buyback during the year | - | - | (210,530,000) | - | (210,530,000) |
| Issue during the year | - | 34,450,000 | - | - | 34,450,000 |
| **At 31 December 2022** | **320,550,001** | **34,450,000** | **(432,178,574)** | **120,918,119** | **43,739,546** |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

GMR POWER & URBAN INFRA (MAURITIUS) LTD
(Previously known as GMR INFRASTRUCTURE (MAURITIUS) LIMITED)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022



| | Notes | 2022 USD | 2021 USD |
|---|---|---|---|
| *Cash flows from operating activities* | | | |
| Profit before income tax | | 101,030,451 | 25,149,982 |
| *Adjustment for:* | | | |
| Finance cost | 3 | 135,547 | 36,917 |
| Gain on fair value of financial assets at fair value through profit or loss | 5 | - | (182,349) |
| Write off of investment | 4 | 1 | - |
| Write off of deposit on shares | 8 (ii) | 3,798 | - |
| Loss on disposal of financial assets at fair value through profit or loss | | - | 3,614,443 |
| Gain on disposal at Fair Value through profit or loss | 5 | (28,651) | - |
| Profit on disposal of investment | 4 | (84,903,579) | - |
| Impairment of deposit on shares | 8 | - | 133,509 |
| Unrealised foreign exchange gain | | - | 86 |
| Reversal of impairment on loan | 14 | - | (98,000) |
| Reversal of impairment on deposit on shares | 8 | (16,283,899) | (28,750,000) |
| **Cash used in operations before working capital changes** | | (46,337) | (95,412) |
| (Increase) / decrease in prepayments | | (5) | 751 |
| Increase / (decrease) in accruals | | 1,336 | (1,435) |
| **Net cash used in operating activities** | | (45,006) | (96,096) |
| *Cash flows from investing activities* | | | |
| Investment in financial assets at fair value through other comprehensive income | 6 | - | (2,064) |
| Disposal proceeds from sale of financial assets at fair value through profit or loss | 5 | 31,606 | 18,934,057 |
| Disposal proceed from investment in subsidiaries | 4 | 158,605,115 | - |
| Increase in deposit on shares | | - | (1,344,976) |
| Return of deposit on shares | 8 | 17,495,366 | 28,750,000 |
| Repayment of loan from affiliate | 14 | - | 98,000 |
| **Net cash generated from investing activities** | | 176,132,087 | 46,435,017 |
| *Cash flows from financing activities* | | | |
| Borrowings | 11 | - | (46,325,000) |
| Share application monies | 12 | 34,450,000 | - |
| Buyback during the year | 10 | (210,530,000) | - |
| Deposit on shares | 8 | (3,797) | - |
| **Net cash used in financing activities** | | (176,083,797) | (46,325,000) |
| **Net increase in cash and cash equivalents** | | 3,284 | 13,921 |
| Cash and cash equivalents at beginning of the year | | 32,496 | 18,661 |
| Effects of exchange rate changes on cash and cash equivalents | | - | (86) |
| **Cash and cash equivalents at end of the year** | | 35,780 | 32,496 |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

## 1. GENERAL INFORMATION

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### *(i) Basis of presentation*

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

The preparation of financial statements in conformity with IFRS as modified by Mauritius Companies Act 2001 requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described below:

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Significant accounting judgements, estimates and assumptions.***

*Determination of functional currency*

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

*Going concern*

For the year ended 31 December 2022, the Company was in a net current liability position of USD 2,016,340. The directors are confident that the Company's shareholder will continue to support the Company. 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. The validity of this assumption depends on the continued support of the Company's shareholder. If the Company was unable to continue in operational existence for the foreseeable future, adjustment would have to be made to the balance sheet values of assets to bring them to their recoverable amounts, to provide for further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(i) Basis of presentation (continued)*

*Significant accounting judgements, estimates and assumptions (continued)*

*Fair valuation of unquoted investments*

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

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

*Impairment assessment*

The directors have assessed the carrying value of the investments in the subsidiaries at 31 December 2022 as detailed in Note 4. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

### *(ii) Changes in accounting policy and disclosures*

*New and amended standards*

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2022.

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 01 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(ii) Changes in accounting policy and disclosures (continued)*
*New and amended standards (continued)*

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

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.

*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.

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

*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.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(ii) Changes in accounting policy and disclosures (continued)*

*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.

| **New or revised standards and interpretations:** | **Effective for accounting period beginning on or after** |
|---|---|
| IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17) | 01 January 2023 |
| IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies) | 01 January 2023 |
| IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates) | 01 January 2023 |
| IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction) | 01 January 2023 |
| Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) | 01 January 2023 |
| IAS 1 Presentation of Financial Statements (Amendments– Classification of Liabilities as Current or Non-current) | 01 January 2024 |
| IFRS 16 Leases (Amendments- Lease Liability in a Sale and Leaseback) | 01 January 2024 |
| IAS 1 Presentation of Financial Statements (Amendments– Non-current Liabilities with Covenants) | 01 January 2024 |
| IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture) | Defer the effective date of the September 2014 amendments to these standards indefinitely |

The directors anticipate that these Standards and Interpretation shall be applied on their effective dates in future periods as applicable.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(iii) Summary of significant accounting policies*

**Foreign currency translation**

*(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

**Current and deferred income tax**

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

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

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

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

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

**Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Current versus non-current classification (continued)**

A liability is current when:

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

The Company classifies all other liabilities as non-current.

**Investment in subsidiaries**

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

Investments in subsidiaries are shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

**Consolidated financial statements**

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

**Financial instruments**

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

*Financial assets*

*(a) Classification and initial measurement*

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

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Financial instruments (continued)**

*Financial assets (continued)*

*(a) Classification and initial measurement (continued)*

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

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

*(b) Subsequent measurement*

*(i) Equity instruments*

- Financial assets at fair value through profit or loss

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

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

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

(ii) Debt instruments

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

- Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Financial instruments (continued)**

*Financial assets (continued)*

(b) *Subsequent measurement (continued)*

(ii) Debt instruments (continued)

- Financial assets at amortised cost (continued)

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

*Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

*Loan to related parties*

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

(c) *Impairment*

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

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

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

For further details on impairment of financial assets, see note 8.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Financial instruments (continued)**
*Financial assets (continued)*

(d) *Derecognition*

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the 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 loans payable and accounts payable.

(b) Subsequent measurement

(i) Loan payable

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

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

This category generally applies to interest-bearing loans payable. For more information, refer to Note 14(b(i)).

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Financial instruments (continued)**

*Financial liabilities (continued)*

(b) Subsequent measurement (continued)

(ii) Accounts payable

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

(c) Derecognition

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

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

Offsetting of financial instruments

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

**Impairment of non-financial assets**

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

**Stated capital**

Ordinary shares are classified as equity.

**Treasury shares**

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*(iii) Summary of significant accounting policies (continued)*

**Revenue recognition**

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

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

Interest income is recognised using the effective interest method.

**Expenses recognition**

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

**Provisions**

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

## 3. FINANCE COST

| | 2022 USD | 2021 USD |
|---|---|---|
| Interest on loan payable (Note 14(b)(i)) | **135,542** | 36,917 |
| Bank charges | **2,774** | 2,484 |
| | **138,316** | 39,401 |

## 4. INVESTMENTS IN SUBSIDIARIES

| | 2022 USD | 2021 USD |
|---|---|---|
| *Unquoted investments at cost:* | | |
| At the beginning of year | **120,815,019** | 120,815,019 |
| Disposal during the year | **(73,701,536)** | - |
| Write off during the year | **(1)** | - |
| At end of year | **47,113,482** | 120,815,019 |

## 4. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company held investments in the following companies:

| Name of subsidiaries | % Holding | Country of incorporation | Class of shares | Nature of business | Number of Shares | 2022 USD | 2021 USD |
|---|---|---|---|---|---|---|---|
| GMR Infrastructure (Singapore) Pte. Limited | 100% (2021: 100%) | Republic of Singapore | Ordinary | Investment holding | **80,896,700** (2021: 207,446,700) | **47,113,482** | 120,815,018 |
| GADL International Limited | Nil (2021: 100 %) | Isle of Man | Ordinary | Contractor Design & Development of airports | **Nil** (2021: 1) | **-** | 1 |
| | | | | | | **47,113,482** | 120,815,019 |

The directors have assessed that the recoverable amounts of all the other investments approximate their carrying values at the reporting date. The subsidiary namely, GADL International Limited has been liquidated and the investment has been written off during the year under review.

Ordinary shares of 126,550,000 at cost USD 73,701,536 in GMR Infrastructure (Singapore) Pte Limited was sold at a consideration of USD 158,605,115 during the year under review leading to a profit on disposal of USD 84,903,579.

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2022 USD | 2021 USD |
|---|---|---|
| At start of the year | **2,955** | 22,369,106 |
| Disposed during the year | **(2,955)** | (22,548,500) |
| Fair value adjustment at end of the year | **-** | 182,349 |
| At end of the year | **-** | 2,955 |

| | Fair value 2022 USD | 2021 USD |
|---|---|---|
| **Name of funds** | | |
| Harrington Cap Em Mkts | **-** | 2,955 |
| | **-** | 2,955 |

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

The following investments were disposed during the year under review:

| Name of funds | Number of units | Fair value | Disposal Proceeds | Gain |
|---|---|---|---|---|
| Capital Emerging Markets Bond Fund | **5.646** | **2,955** | **31,606** | **28,651** |

## 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. Equity investment at FVOCI comprise of the following investment:

| **PT GMR Infrastructure Indonesia** | **2022 USD** | 2021 USD |
|---|---|---|
| At start of the year | **2,064** | - |
| Acquired during the year | **-** | 2,064 |
| At end of the year | **2,064** | 2,064 |

| Name of subsidiaries | % Holding | Country of incorporation | Class of shares | Nature of business | Number of shares | 2022 USD | 2021 USD |
|---|---|---|---|---|---|---|---|
| PT GMR Infrastructure Indonesia | 1% (2021: 1%) | Indonesia | Ordinary | Management Consultancy | 100 (2021: 100) | **2,064** | 2,064 |

## 7. OTHER NON- FINANCIAL ASSETS

| | **2022 USD** | 2021 USD |
|---|---|---|
| Prepayments | **1,045** | 1,040 |
| Rental deposit | **627** | 627 |
| | **1,672** | 1,667 |

## 8. DEPOSIT ON SHARES

| | 2022 USD | 2021 USD |
|---|---|---|
| Advance against equity to be allotted, to the Company, by | | |
| (i) **GMR Infrastructure (Overseas) Limited** | | |
| *Cost:* | | |
| At start of the year | **16,283,900** | 45,033,900 |
| Movement during the year | **(16,283,900)** | (28,750,000) |
| At end of the year | **-** | 16,283,900 |
| Impairment: | | |
| At start of the year | **(16,283,899)** | (45,033,899) |
| Movement during the year | **16,283,899** | 28,750,000 |
| At end of the year | **-** | (16,283,899) |
| Carrying amount at end of the year | **-** | 1 |

During the year 2022, a reversal of impairment of USD 16,283,899 was made to account for the repayment of deposit on shares to the Company by GMR Infrastructure (Overseas) Limited.

| | 2022 USD | 2021 USD |
|---|---|---|
| (ii) **GADL International Limited** | | |
| *Cost:* | | |
| At start of the year | **2,379,041** | 2,378,431 |
| Movement during the year | **3,797** | 610 |
| Amount written off | **(3,798)** | - |
| Carrying amount at end of the year | **2,379,040** | 2,379,041 |
| Impairment: | | |
| At start of the year | **(2,379,040)** | (2,378,430) |
| Movement during the year | **-** | (610) |
| At end of the year | **(2,379,040)** | (2,379,040) |
| Carrying amount at end of the year | **-** | 1 |

GADL International Limited has been liquidated and the investment has been written off during the year under review.

| | 2022 USD | 2021 USD |
|---|---|---|
| (iii) **GMR Infrastructure UK Limited** | | |
| At start of the year | **17,854,886** | 17,721,986 |
| Movement during the year | **-** | 132,900 |
| Carrying amount at end of the year | **17,854,886** | 17,854,886 |
| Impairment | | |
| At start of the year | **(17,854,885)** | (17,721,986) |
| Movement during the year | **-** | (132,899) |
| At end of the year | **(17,854,885)** | (17,854,885) |
| Carrying amount at end of the year | **1** | 1 |

## 8. DEPOSIT ON SHARES (CONTINUED)

| | 2022 USD | 2021 USD |
|---|---|---|
| **(iv) GMR COAL RESOURCES PTE LTD** | | |
| At start of the year | **1,211,466** | - |
| Movement during the year | **(1,211,466)** | 1,211,466 |
| Carrying amount at end of the year | **-** | 1,211,466 |
| Total carrying amount at end of the year | **-** | 1,211,469 |

During the year ended 31 December 2022 GMR Coal Resources PTE Ltd has paid back the deposit on shares.

## 9. CASH AND CASH EQUIVALENTS

| | 2022 USD | 2021 USD |
|---|---|---|
| *Cash at bank* | | |
| Current accounts | **35,780** | 32,496 |

## 10. STATED CAPITAL AND TREASURY SHARES

| | 2022 | 2021 | 2022 | 2021 |
|---|---|---|---|---|
| *Issued and fully paid up* | Number of shares | | USD | USD |
| At the beginning of the year | **320,550,001** | 320,551,001 | **320,550,001** | 320,550,001 |
| At end of year | **320,550,001** | 320,550,001 | **320,550,001** | 320,550,001 |
| *Treasury Shares* | | | | |
| At the beginning of the year | **139,314,000** | 139,314,000 | **(221,648,574)** | (221,648,574) |
| Buyback during the year | **142,250,000** | - | **(210,530,000)** | - |
| At end of year | **281,564,000** | 139,314,000 | **(432,178,574)** | (221,648,574) |

Stated Capital:
Each ordinary share is of no par value.

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

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

Treasury Shares:
During the year 31 December 2022, pursuant to share buyback resolution between GMR Power & Urban Infra Limited and the Company it was resolved to buyback additional 142,250,000 shares at USD 1.48 per share for a total consideration of USD 210,530,000 and the shares are kept as treasury shares.

## 11. LOANS PAYABLE

| | 2022<br>USD | 2021<br>USD |
|---|---|---|
| Loan from subsidiary (Note 14 b(i)) | **3,401,297** | 3,265,755 |
| **Total loans payable** | **3,401,297** | 3,265,755 |
| Non-current | | |
| Loan from subsidiary | **2,041,637** | 3,265,755 |
| Current | | |
| Loan from subsidiary | **1,359,660** | - |
| | **1,359,660** | - |
| **Total loans payable** | **3,401,297** | 3,265,755 |

Refer to Note 14 for the terms & conditions of the loan.

## 12. SHARE APPLICATION MONIES

| **GMR Infrastructure (Overseas) Limited** | 2022<br>USD | 2021<br>USD |
|---|---|---|
| Acquired during the year | **35,050,000** | - |
| Refund during the year | **(600,000)** | - |
| | **34,450,000** | - |

## 13. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2021: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence was automatically converted to a Global Business Licence ("GBL"). The Company is therefore operating under the new current tax regime as from 01 July 2021. Under the new regime, 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 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.

## 13. INCOME TAX (CONTINUED)

At 31 December 2022, the Company had accumulated tax losses of USD 87,846 (2021: USD 40,874).

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

Up to the year ending:

| | **USD** |
|---|---|
| 31 December 2026 | 40,874 |
| 31 December 2027 | 46,972 |
| | 87,846 |

A reconciliation between the accounting profit and the actual income tax expense is presented below:

| | **2022 USD** | 2021 USD |
|---|---|---|
| Profit before taxation | **101,030,451** | 25,149,982 |
| Applicable income tax at tax rate of 15% (2021:15 %) | **15,154,568** | 3,772,497 |
| Impact of: | | |
| Income not taxable | **(15,182,419)** | (4,354,539) |
| Expenses not deductible for tax purposes | **20,806** | 575,912 |
| Untilised tax losses | **7,045** | 6,130 |
| Income tax charge | **-** | - |

*Deferred income tax*

A deferred tax asset of **USD 7,045** (2021: USD 6,131) 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

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

*a) Loans receivable*

| *(i) GMR Energy Project (Mauritius) Limited - Affiliate* | **2022 USD** | 2021 USD |
|---|---|---|
| At start of the year | - | 98,000 |
| Refund during the year | - | (98,000) |
| At end of the year | - | - |
| Impairment: | | |
| At start of the year | - | (98,000) |
| Movement during the year | - | 98,000 |
| At end of the year | - | - |
| Carrying amount at end of year | - | - |

During the year 2021, GMR Energy Project (Mauritius) Limited has repaid the amount of USD 98,000 and the impairment of USD 98,000 was reversed.

| *b) Loans payable* | **2022 USD** | 2021 USD |
|---|---|---|
| ***(i) GMR Infrastructure (Singapore) Pte Ltd – Ph Branch*** | | |
| At start of the year | **3,265,755** | 3,228,838 |
| Interest payable during the year (Note 3) | **135,542** | 36,917 |
| At end of the year (Note 11) | **3,401,297** | 3,265,755 |

Details of the above loans are given below:

(i) Loan amounting to **USD 596,413** (2021: USD 573,822) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 31 August 2024.

(ii) Loan amounting to **USD 1,141,797** (2021: USD 1,096,617) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 02 January 2023.

(iii) Loan amounting to **USD 899,840** (2021: USD 863,695) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 26 June 2023.

(iv) Loan amounting to **USD 763,247** (2021: USD 731,621) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 05 June 2024.

## 14. RELATED PARTY TRANSACTIONS

| *(ii) GMR Male International Airport Private Limited- affiliate* | 2022<br>USD | 2021<br>USD |
|---|---|---|
| At start of the year | - | 46,325,000 |
| Repaid during the year | - | (46,325,000) |
| At end of the year | - | - |

| *(c) Key management services* | **2022**<br>**USD** | 2021<br>USD |
|---|---|---|
| Expenses including directors' fees incurred by the Company | **24,423** | 24,484 |
| Outstanding balance | **5,256** | 5,121 |

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

## 15. 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*

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

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Financial risk factors (continued)*

*(i) Currency risk (continued)*

*Currency profile*

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

| | 2022 | | 2021 | |
|---|---|---|---|---|
| **Financial assets** | **Financial assets USD** | **Financial liabilities USD** | **Financial assets USD** | **Financial liabilities USD** |
| GBP | - | - | 218 | - |
| EUR | **38** | - | 40 | - |
| USD | **35,742** | **3,401,297** | 37,884 | 3,265,755 |
| | **35,780** | **3,401,297** | 38,142 | 3,265,755 |

Investment in subsidiaries amounting to **USD 47,113,482** (2021: USD 120,815,019), deposit on shares amounting to **USD 1** (2021: USD 1,211,469), prepayments amounting to **USD 1,045** (2021: USD 1,040) and rental deposit amounting to **USD 627** (2021: USD 627), have been excluded in the above table.

*(i) Sensitivity analysis*

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

| | **Increase/(decrease) in Foreign exchange rates** | **Effect on post tax profit (loss)/ gain** | | **Effect on equity (loss)/ gain** | |
|---|---|---|---|---|---|
| | | **2022 USD** | 2021 USD | **2022 USD** | 2021 USD |
| Depreciation of EUR | +5% | **2** | 2 | **2** | 2 |
| Appreciation of EUR | -5% | **(2)** | (2) | **(2)** | (2) |

*(ii) Interest rate risk*

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

The Company's interest rate risk arises from interest received on cash and cash equivalents, loans to related parties and interest paid or payable on loans payable. Based on the assumption that the interest rate, post-tax profits and equity would have been USD **16,828** higher or lower (2021: USD 16,128).

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Financial risk factors (continued)*

*(i) Currency risk (continued)*

*(iii) Price risk*

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

*(b) Credit risk*

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

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

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

*(b) Liquidity risk*

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

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

| | Due within 1 year USD | More than 1 year USD | Total USD |
|---|---|---|---|
| 2022 | | | |
| Loans payable | **2,041,637** | **1,359,660** | **3,401,297** |
| Accounts payable | **12,156** | **-** | **12,156** |
| | **2,053,793** | **1,359,660** | **3,413,453** |
| *2021* | | | |
| Loans payable | - | 3,265,755 | 3,265,755 |
| Accounts payable | 10,820 | - | 10,820 |
| | 10,820 | 3,265,755 | 3,276,575 |

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

*(c) Fair values*

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

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

The following table analyses within the fair value hierarchy the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value, measured at 31 December 2022 and 2021, is observable:

| | **Level 1<br>USD** | **Level 2<br>USD** | **Level 3<br>USD** | **Total<br>USD** |
|---|---|---|---|---|
| 2022 | | | | |
| Financial assets at fair value through OCI | - | - | 2,064 | 2,064 |

| | Level 1<br>USD | Level 2<br>USD | Level 3<br>USD | Total<br>USD |
|---|---|---|---|---|
| 2021 | | | | |
| Financial assets at fair value through OCI | - | - | 2,064 | 2,064 |
| Financial assets at fair value through profit or loss | - | 2,955 | - | 2,955 |

*(e) Capital management*

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

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

*(f) Financial instruments by category*

| 2022 | **Financial assets at fair value through profit or loss<br>USD** | **Fair value at amortised cost<br>USD** | **Total<br>USD** |
|---|---|---|---|
| Cash and cash equivalents | - | **35,780** | **35,780** |
| Total | - | **35,780** | **35,780** |

## 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Financial risk factors (continued)*

(*f*) *Financial instruments by category (continued)*

| | Financial assets at fair value through profit or loss | Fair value at amortised cost | Total |
|---|---|---|---|
| 2021 | USD | USD | USD |
| Financial assets at fair value through profit and loss | 2,955 | - | 2,955 |
| Cash and cash equivalents | - | 32,496 | 32,496 |
| Total | 2,955 | 32,496 | 35,451 |

| | **Other financial liabilities at amortised cost** | |
|---|---|---|
| | **2022** | 2021 |
| | **USD** | USD |
| **Financial liabilities** | | |
| Loans payable | **3,401,297** | 3,265,755 |
| Accounts payables | **12,156** | 10,821 |
| Total | **3,413,453** | 3,276,576 |

## 16. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

| | **01 January** | **Cash changes Financing cash flows** | **31 December** |
|---|---|---|---|
| | **USD** | **USD** | **USD** |
| **2022** | | | |
| Loan payable | **3,265,755** | **135,542** | **3,401,297** |
| Accounts payable | **10,821** | **1,336** | **12,156** |
| 2021 | | | |
| Loan payable | 49,553,838 | (46,288,083) | 3,265,755 |
| Accounts payable | 12,255 | (1,434) | 10,821 |

## 17. PARENT AND ULTIMATE PARENT

The directors consider GMR Power and Urban Infra Limited (previously known as GMR Infrastructure Limited) and GMR Enterprises Pvt Limited as the Company's parent and ultimate parent respectively.

## 18. 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.