GMR COAL RESOURCES PTE. LTD.
COMPANY REGISTRATION NO. 201011900H

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

GMR Coal Resources Pte. Ltd.

General Information

Directors

Sandeep Subash
Rajesh Kumar Amanana

Company Secretary

Dominic Kevin Sim Hong Heng

Registered Office

135 Cecil Street #14-01
Philippine Airlines Building
Singapore 069536

Principal Bankers

ICICI Bank
PT Bank CIMB Niaga Tbk
PT Bank Mandiri (Persero) Tbk

Auditor

CA.sg PAC

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GMR Coal Resources Pte. Ltd.

Directors' Statement
for the year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the company for the year ended 31 December 2023.

Opinion of directors

In the opinion of the directors,

a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the company for the year then ended; and

b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this report are :-

Sandeep Subash
Rajesh Kumar Amanana

Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during that year did there subsist any arrangements to which the company was a party whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept under Section 164 of the Companies Act 1967, the directors of the company who held office at the end of the financial year had no interests in the shares or debentures of the company and its related corporations.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

The Board of Directors

Sandeep Subash
....
Sandeep Subash
Director

Rajesh Kumar Amanana
....
Rajesh Kumar Amanana
Director

15 April 2024

CA.SG PAC
(UEN : 201403139W)
33A Chander Road, Singapore 219539
Tel: +65 6220 2008 Fax: +65 6297 9309
Website: www.ca.sg
Email: info@ca-sg.com

INDEPENDENT AUDITOR'S REPORT
to the members of
GMR COAL RESOURCES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GMR Coal Resources Pte. Ltd. (the "company") which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

These financial statements comprise only the separate financial statements of the company and are issued to comply with the financial reporting requirements of its holding company. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for the company and its holding company and should not be distributed to or used by parties other than the company and its holding company.

The company will prepare a separate set of financial statements for the year ended 31 December 2023 in accordance with the provisions of the Companies Act 1967 and FRSs on which we will issue a separate auditor's report to its members.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report on the Audit of the Financial Statements (continued)

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. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

INDEPENDENT AUDITOR'S REPORT
to the members of
GMR COAL RESOURCES PTE. LTD. (continued)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

15 April 2024

GMR Coal Resources Pte. Ltd.

Statement of Financial Position
as at 31 December 2023

	Note	2023 US$	2022 US$
ASSETS AND LIABILITIES			
Non-Current Assets			
Financial assets, at FVOCI	4	29	29
		29	29
Current Assets			
Trade receivables	5	-	82,017
Other receivables	6	5,700,000	3,005,347
Cash and cash equivalents	7	116,083	428,440
		5,816,083	3,515,804
Total Assets		5,816,112	3,515,833
Current Liabilities			
Other payables	8	69,632	45,020
Total Liabilities		69,632	45,020
Net Current Assets		5,746,451	3,470,784
Net Assets		5,746,480	3,470,813
EQUITY			
Share capital	9	75,499,980	75,499,980
Accumulated losses		(69,753,500)	(72,029,167)
Total equity		5,746,480	3,470,813

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Coal Resources Pte. Ltd.

Statement of Comprehensive Income
for the year ended 31 December 2023

	Note	2023 US$	2022 US$
Revenue	10	7	134,874,392
Cost of sales		-	-
Gross profit		7	134,874,392
Other operating income	11	2,403,270	8,634
Other operating expenses		(127,609)	(74,953,870)
Finance costs	12	-	(19,807,130)
Profit before tax expense	13	2,275,668	40,122,026
Tax expense	14	(1)	(13,487,439)
Net profit for the year		2,275,667	26,634,587
Other comprehensive income		-	-
Total comprehensive income for the year		2,275,667	26,634,587

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Coal Resources Pte. Ltd.

Statement of Changes in Equity
for the year ended 31 December 2023

	Share capital			
	Ordinary shares US$	**Preference shares US$**	**Accumulated losses US$**	**Total equity US$**
At 1 January 2022	75,499,980	25,170,000	(98,663,754)	2,006,226
Redemption of preference shares	-	(25,170,000)	-	(25,170,000)
Total comprehensive income for the year	-	-	26,634,587	26,634,587
At 31 December 2022	75,499,980	-	(72,029,167)	3,470,813
Total comprehensive income for the year	-	-	2,275,667	2,275,667
At 31 December 2023	75,499,980	-	(69,735,500)	5,746,480

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Coal Resources Pte. Ltd.

Statement of Cash Flows
for the year ended 31 December 2023

	Note	2023 US$	2022 US$
Cash flows from operating activities			
Profit before tax expense		2,275,668	40,122,026
Adjustments for:-			
Reversal of impairment loss on withholding tax receivable		(2,395,263)	-
Interest expense		-	10,685,260
Interest income		(425)	(8,634)
Loss on disposal of investment in associated company	13	-	64,015,956
Allowance for expected credit loss on trade and other receivables		87,364	-
		(2,308,324)	74,692,582
Operating (loss)/profit before working capital changes		(32,656)	114,814,608
Decrease in trade and other receivables		-	59,916
Increase/(Decrease) in other payables		24,612	(1,055,119)
Cash (used in)/generated from operations		(8,044)	113,819,405
Interest received		425	8,634
Interest paid		-	(23,902,270)
Tax refunded/(paid)		2,395,262	(13,487,439)
Net cash generated from operating activities		2,387,643	76,438,330
Cash flows from investing activities			
Proceeds from disposal of investment in associated company		-	442,904,975
Net cash generated from investing activities		-	442,904,975
Cash flows from financing activities			
Redemption of preference shares		-	(25,170,000)
Repayment of bank borrowings		-	(189,978,465)
Repayment to related companies		-	(73,337,932)
Repayment to immediate holding company		-	(230,578,169)
Advances to immediate holding company		(2,700,000)	-
Net cash used in financing activities		(2,700,000)	(519,064,566)
Net (decrease)/increase in cash and cash equivalents		(312,357)	278,739
Cash and cash equivalents at beginning of the year		428,440	149,701
Cash and cash equivalents at end of the year	7	116,083	428,440

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

The company (company registration no. 201011900H) is a limited liability company which is incorporated in the Republic of Singapore with the registered office and principal place of business at 135 Cecil Street, #14-01, Philippine Airlines Building, Singapore 069536.

The principal activities of the company are those of investment holding, trading of coal, provision of management and technical services and holding of investments in coal projects and related activities.

The immediate holding company is GMR Infrastructure (Overseas) Limited, a company incorporated in Mauritius, which owns 99.97% of the issued and paid up capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Material accounting policy information

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in United States dollars ("US$") and all values are presented to the nearest dollar except where indicated otherwise.

2. **Material accounting policy information** (continued)

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2023. Except for the effect of the adoption of amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies described below, the adoption of the other new and amended standards did not have any material effect on the financial performance or position of the company.

FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The company adopted amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies from 1 January 2023. The amendments did not result in any changes to the accounting policies themselves but impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of “material”, rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policy information (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

2.3 Financial assets

(a) Classification and measurement

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the company measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. **Material accounting policy information** (continued)

2.3 **Financial assets** (continued)

(a) Classification and measurement (continued)

<u>Subsequent measurement</u>

(i) Investments in debt instruments

Subsequent measurement of debt instruments depends on the company’s business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the company’s right to receive payments is established. For investments in equity instruments which the company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

<u>Derecognition</u>

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Impairment

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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.

2. **Material accounting policy information** (continued)

2.3 **Financial assets** (continued)

(b) Impairment (continued)

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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The company considers a financial asset in default when contractual payments are 210 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. **Material accounting policy information** (continued)

2.5 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2.6 Income recognition

(i) **Dividend income**

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

(ii) **Interest income**

Interest income from bank deposits and loans are accrued on a time proportion basis on the principal outstanding and at the applicable interest rate.

2.7 Foreign currency

(i) **Functional currency**

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("functional currency"). The financial statements are presented in United States dollars, which is also the functional currency of the company.

(ii) **Foreign currency transactions**

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of comprehensive income.

2. **Material accounting policy information** (continued)

2.8 Tax expense

Tax expense represents tax paid for income derived from foreign source.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.10 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the company's shareholders, key management personnel, associates, and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the company's shareholders or key management personnel, and close member of the family of any individual referred to herein.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions 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.

3.1 Critical judgements in applying the entity's accounting policies

<u>Provision for expected credit losses of trade receivables</u>

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the company's historical observed default rates.

The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables is disclosed in note 17.2(i).

4. Financial assets, at FVOCI

	2023 US$	2022 US$
At beginning of the year	29	-
Reclassified from investment in associated company	-	29
At end of the year	29	29

Comprising:

	2023 US$	2022 US$
Quoted equity shares	29	29

The fair value of quoted equity shares was derived based on the market price of the quoted shares.

5. Trade receivables

	2023 US$	2022 US$
Amount owing by related parties		
- GMR Warora Energy Limited	34,768	34,768
- GMR Kamalanga Energy Limited	47,249	47,249
	82,017	82,017
Less: Allowance for expected credit loss	(82,017)	-
	-	82,017

Trade receivables are denominated in United States dollars.

The movement in allowance for expected credit loss is as follows :-

	2023 US$	2022 US$
At beginning of the year	-	-
Allowance made during the year	82,017	-
At end of the year	82,017	-

6. Other receivables

	2023 US$	2022 US$
Amount due from immediate holding company	5,700,000	3,000,000
Advance to a third party	5,347	5,347
	5,705,347	3,005,347
Less: Allowance for expected credit loss	(5,347)	-
	5,700,000	3,005,347

Other receivables are denominated in the following currencies :-

	2023 US$	2022 US$
United States dollars	5,700,000	3,000,000
Singapore dollars	-	5,347
	5,700,000	3,005,347

The amount due from the immediate holding company is unsecured, non-interest bearing and repayable on demand.

The movement in allowance for expected credit loss is as follows :-

	2023 US$	2022 US$
At beginning of the year	-	-
Allowance made during the year	5,347	-
At end of the year	5,347	-

7. Cash and cash equivalents

Cash and cash equivalents are denominated in the following currencies :-

	2023 US$	2022 US$
United States dollars	63,988	366,583
Indonesia Rupiah	39,805	39,294
Singapore dollars	12,290	22,563
	116,083	428,440

8. Other payables

	2023 US$	2022 US$
Accrued expenses	69,632	40,117
Other payables	-	4,903
	69,632	45,020

Other payables are denominated in United States dollars.

9. Share capital

	2023 US$	2022 US$
Issued and fully paid up :		
101,850,000 ordinary shares	75,499,980	75,499,980

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

10. Revenue

	2023 US$	2022 US$
Dividend income	7	134,874,392

11. Other operating income

	2023 US$	2022 US$
Foreign exchange gain	784	-
Interest income	425	8,634
Write-off of payable	6,798	-
Reversal of impairment loss on withholding tax receivable	2,395,263	-
	2,403,270	8,634

12. Finance costs

	2023 US$	2022 US$
Interest on loans from related companies	-	1,603,856
Interest on term loan	-	9,081,404
Forbearance fee	-	9,121,870
	-	19,807,130

13. Profit before tax expense

Other than as disclosed elsewhere in the financial statements, this is determined after charging the following :-

	2023 US$	2022 US$
Foreign exchange loss	-	18,077
Allowance for expected credit loss on trade and other receivables	87,364	-
Loss on disposal of investment in associated company	-	64,015,956

14. Tax expense

	2023 US$	2022 US$
Foreign tax paid	1	13,487,439

14. **Tax expense** (continued)

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2023 **US$**	**2022** **US$**
Accounting profit	2,275,668	40,122,026
Tax at the applicable tax rate of 17%	386,864	6,820,744
Tax effects of :-		
Expenses not deductible	909	16,091,847
Income not subject to tax	(407,328)	(22,928,646)
	(19,555)	(16,055)
Tax loss disallowed	19,555	16,055
Current taxation	-	-
Foreign tax paid	1	13,487,439
	1	13,487,439

As at 31 December 2023, the company has estimated unabsorbed tax losses amounting to US$290,200 (2022 – US$175,100) for which deferred tax benefits have not been recognised in the financial statements because it is not certain that future taxable profit will be available against which the company can utilise the benefits. However, the unabsorbed tax losses are available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Income Tax Act 1947.

15. **Related party transactions**

Significant transactions with related parties on terms mutually agreed between the parties were as follows :-

	2023 **US$**	**2022** **US$**
Interest expense on security deposit from a related company	-	1,603,856
Advances to immediate holding company	2,700,000	3,000,000
Dividend income from associated company	-	(134,874,392)

16. Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio as below:-

	2023 US$	2022 US$
Net debt	(46,451)	(383,420)
Total equity	5,746,480	3,470,813
Total capital	5,700,029	3,087,393
Gearing ratio	N/A	N/A

17. Financial risk management

The company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is the company's policy not to trade in derivatives for speculative purposes.

The following sections provide details regarding the company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

17. **Financial risk management** (continued)

17.1 Categories of financial instruments

The following sets out the financial instruments of the company as at the date of the statement of financial position:-

	2023 US$	2022 US$
Financial assets		
Amortised cost		
Trade and other receivables	5,700,000	3,087,364
Cash and cash equivalents	116,083	428,440
	5,816,083	3,515,804
Financial liabilities		
Amortised cost		
Other payables	69,632	45,020
	69,632	45,020

17.2 Risk management

Risk management is integral to the company's business. The management continually monitors the company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The main risks arising from the company's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates and interest rates. The management monitors and controls its main risks in the following manner :-

(i) **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the company. The company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment in quoted equity instruments and cash), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

The company has adopted a policy of only dealing with creditworthy counterparties. The company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 180 days, or there is significant difficulty of the counterparty.

To minimise credit risk, the company has developed and maintained the company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the company's own trading records to rate its major customers and other debtors.

The company considers available reasonable and supportive forward-looking information which includes the following indicators:-

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 210 days past due in making contractual payment.

The company determined that its financial assets are credit-impaired when:-

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 210 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
4	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The table below details the credit quality of the company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:-

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Allowance for ECL US$	Net carrying amount US$
2023						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	82,017	(82,017)	-
Other receivables	6	3	Lifetime ECL	5,705,347	(5,347)	5,700,000
				5,787,364	(87,364)	5,700,000

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Allowance for ECL US$	Net carrying amount US$
2022						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	82,017	-	82,017
Other receivables	6	1	12-month ECL	3,005,347	-	3,005,347
				3,087,364	-	3,087,364

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(i) **Credit risk** (continued)

Trade receivables (Note 1)

For trade receivables, the company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

The company performed an assessment of its trade customers based on historical credit loss experience and concluded that there has been no significant increase in the credit risk since the initial recognition of the trade receivables. Accordingly, no additional allowance for ECL is recognised in the current year.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

The company is not exposed to excessive risk concentration.

Exposure to credit risk

The company has concentration of credit risk in the form of outstanding debts owing by 2 customers representing 100% of total trade receivables before loss allowance.

Other receivables

The company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the company measured the impairment loss allowance using lifetime ECL.

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(ii) **Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flows.

Financing is obtained from established financial institutions and the holding and related companies when the need arises.

The following represents the contractual undiscounted cash outflows of financial liabilities, excluding interest payments and the impact of off-setting agreements :

		Contractual cash flows	
	Carrying amount 2023 US$	**Total 2023 US$**	**One year or less 2023 US$**
Financial liabilities			
Other payables	69,632	69,632	69,632

		Contractual cash flows	
	Carrying amount 2022 US$	**Total 2022 US$**	**One year or less 2022 US$**
Financial liabilities			
Other payables	45,020	45,020	45,020

(iii) **Foreign exchange risk**

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. The company's exposure arises from transactions that are denominated in a currency other than the United States dollars. The currency giving rise to this risk is primarily the Singapore dollars. At the date of the statement of financial position, the company does not use derivative financial instruments to hedge their foreign exchange risk. The exchange rates are monitored regularly.

17. **Financial risk management** (continued)

17.2 **Risk management** (continued)

(iii) **Foreign exchange risk** (continued)

The company's exposure to foreign currency in the equivalent United States dollars in respect of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Sensitivity analysis

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

17.3 **Fair values**

(i) **Fair value hierarchy**

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(ii) **Assets measured at fair value**

	Level 1 US$	**Level 2 US$**	**Level 3 US$**	**Total US$**
2023				
Financial asset, at FVOCI	29	-	-	29

	Level 1 US$	**Level 2 US$**	**Level 3 US$**	**Total US$**
2022				
Financial asset, at FVOCI	29	-	-	29

The Level 1 financial asset was derived based on the market price of the quoted shares.

17. **Financial risk management** (continued)

17.3 **Fair values** (continued)

(iii) **Assets and liabilities not measured at fair value**

Trade receivables

The carrying amounts of these receivables approximate their fair values as they are subject to normal trade credit terms.

Other receivables, cash and cash equivalents and other payables

The directors are of the view that the fair values of other financial assets and liabilities with a maturity period of less than one year approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

18. **Authorisation of financial statements**

The financial statements were authorised for issue in accordance with a resolution of the directors on 15 April 2024.

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Coal Resources Pte. Ltd.

Detailed Income Statement
for the year ended 31 December 2023

	2023 US$	2022 US$
Revenue		
Dividend income	7	134,874,392
Add		
Other operating income		
Foreign exchange gain	784	-
Interest income	425	8,634
Write-off of payable	6,798	-
Reversal of impairment loss on withholding tax receivable	2,395,263	-
	2,403,270	8,634
	2,403,277	134,883,026
Less		
Other operating expenses	127,609	74,953,870
Finance costs	-	19,807,130
	127,609	94,761,000
Profit before tax expense	2,275,668	40,122,026

GMR Coal Resources Pte. Ltd.

Detailed Income Statement (continued)
for the year ended 31 December 2023

	2023 US$	2022 US$
Other operating expenses		
Agent fees	-	43,050
Allowance for expected credit loss on trade and other receivables	87,364	-
Audit fees	7,712	10,714
Bank charges	596	3,650
Custodial fees	-	740,402
Entertainment expenses	-	5,425
Foreign exchange loss	-	18,077
Legal and professional fees	28,909	1,680,765
Loss on disposal of investment in associated company	-	64,015,956
Membership and subscription fee	640	630
Miscellaneous	-	421
Secretarial fees	2,388	2,778
Success fees	-	8,250,000
Withholding tax	-	182,002
	127,609	74,953,870
Finance costs		
Interest on security deposit from a related company	-	1,603,856
Interest on term loan	-	9,081,404
Forbearance fee	-	9,121,870
	-	19,807,130
	127,609	94,761,000