

GMR ENERGY (MAURITIUS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

**GMR ENERGY (MAURITIUS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1.

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GMR ENERGY (MAURITIUS) LIMITED
COMPANY INFORMATION

2.

		Date of appointment
DIRECTORS	: Rishikesh Batoosam	30 June 2020
	Akash Beesham Ramessur	05 October 2020
	Sandeep Subash	31 March 2022
	Prakash Kumar Diwan (alternate to Sandeep Subash)	21 June 2022
ADMINISTRATOR AND SECRETARY	: Ocorian Corporate services (Mauritius) Limited Level 6, Tower A 1 Exchange Square Wall Street, Ebene 72201 Republic of Mauritius	
REGISTERED OFFICE	: C/o Ocorian Corporate services (Mauritius) Limited Level 6, Tower A 1 Exchange Square Wall Street, Ebene 72201 Republic of Mauritius	
AUDITORS	: VBS Business Services 1 st Floor, Hennessy Court Pope Hennessy Street Port Louis Republic of Mauritius	
BANKER	: AfrAsia Bank Limited Bowen Square 10, Dr Ferriere Street Port Louis Republic of Mauritius	

**GMR ENERGY (MAURITIUS) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2023
COMMENTARY OF THE DIRECTORS**

3.

The directors are pleased to present their commentary, together with the audited financial statements of GMR Energy (Mauritius) Limited (the "Company") for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 December 2023 is **USD 55,705** (2022: USD 41,650).

The directors do not recommend the payment of a dividend for the year under review (2022: USD Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

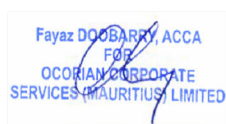
The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITORS

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

DS

By Order of the Board
SECRETARY

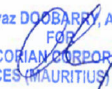


Date : 15 April 2024

**SECRETARY'S CERTIFICATE
TO THE MEMBERS OF GMR ENERGY (MAURITIUS) LIMITED**

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

We certify, as secretary of GMR Energy (Mauritius) Limited (the "Company"), that based on records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies for year ended 31 December 2023, all such returns as are required of the Company under the Mauritius Companies Act.



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

**OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED
SECRETARY**

Date : 15 April 2024



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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of GMR Energy (Mauritius) Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2023 and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 31.

In our opinion, these financial statements give a true and fair view of the financial position of GMR Energy (Mauritius) Limited as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act in so far as applicable to Global Business Licenced Companies.

Basis for Opinion

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

Other Information

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

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GMR ENERGY (MAURITIUS) LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

Directors' Responsibilities for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GMR ENERGY (MAURITIUS) LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

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

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

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

Other Matter

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

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

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

VBS Business Services
Chartered Certified Accountants

Port Louis, Mauritius

Date: 15 April 2024

Vijay Bhuguth, FCCA
Licensed by FRC

GMR ENERGY (MAURITIUS) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

8.

	Note	<u>2023</u> USD	<u>2022</u> USD
EXPENSES			
Impairment of deposit on shares	7 (i)	22,242	15,040
Administration fees		8,430	3,580
Accountancy fees		7,596	4,496
Audit fees		6,497	3,393
Directors' fees		2,400	2,400
Licence fees		2,320	1,920
Rental expense		2,069	5,770
Secretarial fees		1,450	1,200
Sundry expenses		1,375	1,223
Tax fees		804	804
Bank charges		522	1,536
Legal fees		-	288
TOTAL EXPENSES		<u>55,705</u>	<u>41,650</u>
LOSS BEFORE INCOME TAX		(55,705)	(41,650)
Income tax expense	5	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		(55,705)	(41,650)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(55,705)</u>	<u>(41,650)</u>

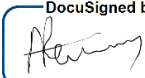
The notes on pages 12 to 31 form an integral part of these financial statements.

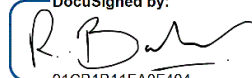
**GMR ENERGY (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

9.

	Note	2023 USD	2022 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	6	1,883,765	1,883,765
Deposit on shares	7	17,142,271	15,285,513
Total non-current assets		19,026,036	17,169,278
Current assets			
Other receivables	8	1,053	1,572
Cash and cash equivalents		4,670	28,582
Total current assets		5,723	30,154
TOTAL ASSETS		19,031,759	17,199,432
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	103	103
Subscription monies	10	1,884,000	-
Redeemable preference shares	11(ii)	17,209,207	17,209,207
Accumulated losses		(71,766)	(16,061)
Total shareholder's surplus		19,021,544	17,193,249
Current liabilities			
Other payables	12	10,215	6,183
TOTAL EQUITY AND LIABILITIES		19,031,759	17,199,432

Approved by the board on 15 April 2024 and signed on its behalf by:

DocuSigned by:

 9A30FCBDBFB7498...
 Director

DocuSigned by:

 91CB1B11FA0F404...
 Director

The notes on pages 12 to 31 form an integral part of these financial statements.

GMR ENERGY (MAURITIUS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

10.

	Stated capital USD	Redeemable Class B Preference shares USD	Subscription monies USD	Accumulated losses USD	Total USD
At 01 January 2022	103	-	-	(2,685,204)	(2,685,101)
<i>Transaction with owners of the company</i>					
Additions during the year (Note 11(ii))	-	18,600,000	-	-	18,600,000
Payable converted to redeemable Class B preference shares (Note 13(iv))	-	1,320,000	-	-	1,320,000
Capital reduction	-	(2,710,793)	-	2,710,793	-
<i>Total transaction with owners of the company</i>	103	17,209,207	-	25,589	17,234,899
<i>Total comprehensive income for the year</i>	-	-	-	(41,650)	(41,650)
At 31 December 2022	103	17,209,207	-	(16,061)	17,193,249
Transaction with owners of the company					
Additions during the year	-	-	1,884,000	-	1,884,000
Total transaction with owner of the company	-	-	1,884,000	-	1,884,000
Total comprehensive income for the year	-	-	-	(55,705)	(55,705)
At 31 December 2023	103	17,209,207	1,884,000	(71,766)	19,021,544

The notes on pages 12 to 31 form an integral part of these financial statements.

GMR ENERGY (MAURITIUS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

11.

	Note	2023 USD	2022 USD
Cash flows from operating activities			
Loss before income tax		(55,705)	(41,650)
<i>Adjustment for:</i>			
Impairment of deposit on shares	7(i)	22,242	15,040
Operating losses before working capital changes		(33,463)	(26,610)
<i>Changes in working capital:</i>			
Changes in prepayments		519	31
Changes in accruals		4,532	230
Net cash used in operating activities		(28,412)	(26,349)
Cash flows from investing activity			
Deposit on shares	7 (i)	(1,879,000)	(1,277,000)
Net cash used in investing activity		(1,879,000)	(1,277,000)
Cash flows from financing activities			
Subscription monies received	10	1,884,000	-
Amount received from related parties	13(iv)	-	1,299,500
Amount repaid to related parties	13(iv)	(500)	-
Amount issued for redeemable class B preference shares	13(iii)	-	18,600,000
Amount redeemed for class A preference share	11(i)	-	(18,567,895)
Net cash from financing activities		1,883,500	1,331,605
Net (decrease) / increase in cash and cash equivalents		(23,912)	28,256
Cash and cash equivalents at beginning of year		28,582	326
Cash and cash equivalents at end of year		4,670	28,582

Non cash transaction are disclosed under Note 14

1. CORPORATE INFORMATION

GMR Energy (Mauritius) Limited is a private company limited by shares, incorporated in Mauritius on 27 February 2008, holds a Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The Company's registered office is C/o Ocorian Corporate services (Mauritius) Limited, Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene 72201, Republic of Mauritius.

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

2. MATERIAL ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention except for financial assets and liabilities at amortised cost and are presented in United States Dollar ("USD").

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

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), <as modified by the exemption from consolidation in the Mauritius Companies Act ("IFRS as modified by Mauritius Companies Act") for companies holding a Global Business Licence> and comply with Mauritius Companies Act.

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

2.2 *Changes in accounting policy and disclosures*

(i) *New and amended standards*

In the current year, the Company has applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 January 2023.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

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

New accounting standards, amendments and interpretations	Effective date
IFRS 17 Insurance Contracts	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements	01 January 2023
Definition of Accounting Estimates - Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 Income Taxes	01 January 2023
International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12	23 May 2023

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts. IFRS 17 significantly changes the way insurance contracts are measured and presented.

The IFRS 17 approach to the measurement of insurance contract liability is based on the building blocks of present value of future cash flows, risk adjustment for non-financial risk and the contractual service margin. The determination of these components requires actuarial inputs and use of significant judgement and assumptions.

IFRS 17 is expected to have a greater impact on the reporting in the insurance sector. The Company does not have any such contract within its scope and therefore there was no impact of IFRS 17 on the disclosures or amounts reported in these financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The International Accounting Standards Board (IASB) amended IAS 1 to require companies to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting policy information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

For the year ended 31 December 2023, management has reviewed the accounting policies of the Company. Except as already disclosed in the financial statements, no further material accounting policy information is required to be disclosed in the financial statements.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

Definition of Accounting Estimates - Amendments to IAS 8

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

These amendments had no effect on the financial statements of the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

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

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

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

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

These amendments had no effect on the financial statements of the Company.

Income Taxes - International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12

The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Management has determined that the Company is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Company.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

At the date of authorisation of these financial statements, the following standards, amendments and interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective on 01 January 2024)
- Non-current Liabilities with Covenants - Amendments to IAS 1 (effective on 01 January 2024)
- Supplier finance arrangements - Amendments to IAS 7 and IFRS 7 (effective on 01 January 2024)
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 (effective on 01 January 2024)
- Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28 (effective date yet to be set by the IASB)
- Lack of Exchangeability - Amendments to IAS 21 (effective on 01 January 2025)

There are no other IFRSs, IFRSs amendments or IFRIC interpretations that are not yet effective that would be expected to be relevant and have a material impact on the Company.

2.3 *Summary of material accounting policies*

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in United States dollar (“USD”) which is the Company’s functional currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 *Summary of material accounting policies (continued)*

(b) **Investments in subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

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

(c) **Consolidated financial statements**

The financial statements contain information about GMR Energy (Mauritius) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company owns 100% in GMR Lion Energy Limited and Karnali Transmission Company Private Limited. The Company has taken advantage of the exemption provided by the Mauritius Companies Act allowing a wholly owned or virtually wholly owned parent company holding a Global Business Licence not to present consolidated financial statements. The ultimate parent, GMR Infrastructure Limited, a company incorporated in India, prepares consolidated financial statements in accordance with Indian Generally Accepted Accounting Principles and not IFRS. The registered office of the ultimate parent is Naman Centre, 7th Floor, Opp. Dena Bank, Plot No.C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, India.

(d) **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

(i) **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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 *Summary of material accounting policies (continued)*

(d) **Financial instruments (continued)**

Financial assets (continued)

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

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

The 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.

(ii) *Subsequent measurement*

Debt instruments

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

The Company's financial assets at amortised cost include 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.

(iii) *Impairment of financial assets*

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 *Summary of material accounting policies (continued)*

(d) **Financial instruments (continued)**

Financial assets (continued)

(iv) *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

(i) *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 other payables.

As per resolutions dated 12 October 2012, the Class A Preference shares have been converted into Redeemable Class A Preference Shares. The Redeemable Preference Shares are redeemable at the option of the holder of the share, hence had been classified under current liabilities. During the year 2022, the Redeemable Class A Preference Shares have fully been redeemed.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of material accounting policies (continued)

(d) Financial instruments (continued)

Financial liabilities (continued)

(ii) Subsequent measurement

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

Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method.

(iii) 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.

(e) Offsetting of financing instruments

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

(f) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity net of any tax effects.

Preference shares class B which are redeemable at the option of the Company have been classified as equity in the financial statements.

(g) Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(h) Revenue recognition

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

(i) Expenses recognition

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of material accounting policies (continued)

(j) Taxation

The tax expense for the year comprises of current tax and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and losses can be utilised.

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

(k) Related parties

Related parties are individuals or companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(l) Impairment of non-financial assets

The carrying amounts of assets are 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 fair value less costs to sell and its value in use, 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

3. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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.

Judgements

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 in Note 2, the directors have considered those factors therein and have determined that the functional currency of the company is the USD.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, and over the recognition of deferred taxes. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. Therefore, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

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

(a) Market risk

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

(i) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. The Company has no significant exposure to foreign exchange risk as most of its financial assets and liabilities are denominated in USD.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company has no significant exposure to interest-rate risk as it has no interest-bearing financial assets and liabilities.

(iii) Price risk

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

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's exposure arises from the default of the counterparties, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. There was no concentration of credit risk as at the reporting date.

Credit risk from balances with banks is managed by the Company by carrying out transactions with banks of good standing and reputation.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(b) *Credit risk (continued)*

The maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2023	2022
	USD	USD
Cash and cash equivalents	4,670	28,582

The exposure to credit risk on cash and cash equivalents are monitored on an ongoing basis by management and these are considered recoverable.

While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identical impairments loss was immaterial and there has been no significant impact on its statement of financial position.

(c) *Liquidity risk*

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

The table below summarises the maturity profile of the Company's financial liabilities at 2023 and 2022, based on contractual undiscounted payments

	Repayable on demand	Repayable within less than 1 year	Total
	USD	USD	USD
2023			
<u>Financial liabilities</u>			
Other payables	-	10,215	10,215
2022			
<u>Financial liabilities</u>			
Other payables	500	5,683	6,183

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(d) Fair values

The carrying amounts of cash and cash equivalents, other payables approximate their fair values and hence no fair value hierarchy has been disclosed.

(e) Capital risk management

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

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

(f) Financial instruments by category

Financial assets include cash and cash equivalents that are classified as financial assets at amortised cost.

Financial liabilities include other payables that are classified as financial liabilities at amortised cost.

5. INCOME TAX EXPENSE

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

The Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption is taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

At 31 December 2023, the Company had accumulated tax losses of **USD 162,793** (2022: USD 164,942) and is therefore not liable to income tax. Tax losses of **USD 35,612** (2022: USD 14,244) was lapsed during the year.

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

Up to the years ending:	USD
31 December 2024	50,175
31 December 2025	26,671
31 December 2026	26,162
31 December 2027	26,322
31 December 2028	33,463
	<u>162,793</u>

5. INCOME TAX EXPENSE (CONTINUED)

(i) A reconciliation between the applicable income tax rate of 15 % and the actual income tax rate is as follows:

	<u>2023</u>	<u>2022</u>
	USD	USD
Loss for the year	<u>(55,705)</u>	<u>(41,650)</u>
Tax at the rate of 15%	(8,356)	(6,248)
Expenses not deductible for tax purposes	3,336	2,299
Deferred tax asset	<u>5,020</u>	<u>3,949</u>
Actual tax charge	<u>-</u>	<u>-</u>

Deferred income tax

A deferred tax asset of **USD 24,419** (2022: USD 24,741) has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

6. INVESTMENTS IN SUBSIDIARIES

	<u>2023</u>	<u>2022</u>
	USD	USD
(i) GMR Lion Energy Limited		
Cost:		
At start and end of the year	<u>2,942,117</u>	<u>2,942,117</u>
Impairment:		
At start and end of the year	<u>(1,071,263)</u>	<u>(1,071,263)</u>
Carrying amount at year end	<u>1,870,854</u>	<u>1,870,854</u>
(ii) Karnali Transmission Company Private Limited		
Cost:		
At start and end of the year	<u>45,200</u>	<u>45,200</u>
Impairment:		
At start and end of the year	<u>(32,289)</u>	<u>(32,289)</u>
Carrying amount at year end	<u>12,911</u>	<u>12,911</u>
Total carrying amount of investments	<u>1,883,765</u>	<u>1,883,765</u>

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company holds investments in the following companies:

Name of company	Direct % Holdings	Country of incorporation	Class of shares held	Type of investment	Number of shares 2023/2022	2023	2022
						USD	USD
GMR Lion Energy Limited	100%	Mauritius	Equity	Unquoted	2,942,117	1,870,854 (Cost: 2,942,117)	1,870,854 (Cost: 2,942,117)
Karnali Transmission Company Private Limited	100%	Nepal	Equity	Unquoted	33,024	12,911 (Cost: 45,200)	12,911 (Cost: 45,200)
						<u>1,883,765</u>	<u>1,883,765</u>

During the year ended 31 December 2023, the directors have assessed the recoverable amounts of the above investments and are of the opinion that the investment in the subsidiaries are not subject to impairment.

7. DEPOSIT ON SHARES

	2023	2022
	USD	USD
Advance against equity to be allotted by:		
(i) GMR Lion Energy Limited		
Cost:		
At start of the year	16,150,009	14,873,009
Advanced during the year	1,879,000	1,277,000
At end of the year	<u>18,029,009</u>	<u>16,150,009</u>
Impairment:		
At start of the year	(864,496)	(849,456)
Movement during the year	(22,242)	(15,040)
At end of the year	<u>(886,738)</u>	<u>(864,496)</u>
Carrying amount at year end	<u>17,142,271</u>	<u>15,285,513</u>

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7. DEPOSIT ON SHARES (CONTINUED)

	2023	2022
	USD	USD
(ii) Karnali Transmission Company Private Limited		
Cost:		
At start / end of the year	<u>484,139</u>	<u>484,139</u>
Impairment:		
At start / end of the year	<u>(484,139)</u>	<u>(484,139)</u>
Carrying amount at year end	<u>-</u>	<u>-</u>
Total carrying amount of deposit on shares	<u>17,142,271</u>	<u>15,285,513</u>

Deposit on shares represent amount advanced to subsidiaries pending allotment of shares to the Company. During the year ended 31 December 2023, the directors have assessed the recoverable amounts of the above deposits and are of the opinion that the deposit on shares are subject to a further impairment of USD 22,242 in GMR Lion Energy Limited (2022: 15,040).

8. OTHER RECEIVABLES

	2023	2022
	USD	USD
Prepayments	1,053	945
Rental deposit	627	627
Reversal of rental deposit	<u>(627)</u>	<u>-</u>
	<u>1,053</u>	<u>1,572</u>

The Company has entered into rental agreement with The Business Exchange (Mauritius) Limited ("TBEML"), whereby TBEML has accepted to rent the premises to the Company. As per the rental agreement, the rental deposit is of USD 460. Also as per the quotation, there is a fee of USD 166.67 which is refundable. During the year 2023, the rental agreement was cancelled with effect as from 30 April 2023.

9. STATED CAPITAL

	2023	2022
	USD	USD
Issued and fully paid up 100 (2022: 100) ordinary shares of no par value	<u>103</u>	<u>103</u>

Rights of the ordinary shares

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

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10. SUBSCRIPTION MONIES

	<u>2023</u>	<u>2022</u>
	USD	USD
At start of the year	-	-
Received during the year	1,884,000	-
At end of the year	1,884,000	-

Share application monies represent advances received from the GMR Energy Projects (Mauritius) Limited.

11. REDEEMABLE PREFERENCE SHARES

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Number	Number	USD	USD
(i) <i>Redeemable Class A Preference Shares - Liability</i>				
At start of year	-	18,567,895	-	18,567,895
Redeemed during the year	-	(18,567,895)	-	(18,567,895)
At end of the year (Note 13 (ii))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(ii) <i>Redeemable Class B Preference Shares - Equity</i>				
At start of year	17,209,207	-	17,209,207	-
Additions during the year	-	18,600,000	-	18,600,000
Redeemable class B preference shares (Note 13(iv))	-	1,320,000	-	1,320,000
Offset against capital reduction	-	(2,710,793)	-	(2,710,793)
At end of the year (Note 13 (iii))	17,209,207	17,209,207	17,209,207	17,209,207

11. REDEEMABLE PREFERENCE SHARES (CONTINUED)

The rights of the redeemable preference shares are as follows:

(A) Redeemable class A preference shares:

Dividends

The holder of a redeemable class A preference share was entitled to non-cumulative dividends at a rate of 1% of the nominal value and provided further, that the shares are fully paid.

Voting rights

Each redeemable class A preference share was entitled its holder to receive notice of and to attend any annual and special meetings of the Company. The holder of a redeemable class A preference share was not be entitled to any voting rights except as provided under Section 114 of the Companies Act.

Winding up

On winding up, each holder of a redeemable class A preference share had priority to repayment of capital.

Distribution of surplus assets

The holder of a redeemable class A preference share was not be entitled to any surplus assets which might exist after the paid up capital of the Company on ordinary shares has been repaid.

Redemption

Each redeemable class A preference share was redeemable at the option of the holder of the share.

(B) Redeemable class B preference shares :

Dividends

The holder of a redeemable class B preference share shall be entitled to non-cumulative dividends at a rate of 1% of the nominal value and provided further, that the shares are fully paid.

Voting rights

Each redeemable class B preference share shall not entitle its holder to receive notice of and to attend any annual and special meetings of the Company. The holder of a redeemable class B preference share shall not be entitled to any voting rights.

Winding up

On winding up, each holder of a redeemable class B preference Share shall have priority to repayment of capital.

Distribution of surplus assets

The holder of a redeemable class B preference share shall not be entitled to any surplus assets which might exist after the paid up capital of the Company on ordinary shares has been repaid.

Redemption

Each redeemable class B preference share shall be redeemable at the option of the Company.

12. OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
	USD	USD
Accruals	10,215	5,683
Amount due to affiliate (Note 13 (iv))	<u>-</u>	<u>500</u>
	<u>10,215</u>	<u>6,183</u>

The amount due to affiliate was interest - free, unsecured and repayable on demand.

13. RELATED PARTY DISCLOSURES

During the year ended 31 December 2023, the Company carried out transactions with related parties as follows:

	<u>2023</u>	<u>2022</u>
	USD	USD
<i>(i) Fees paid to management entity of the Company – Ocorian Corporate Services (Mauritius) Limited</i>		
Expenses including directors fees incurred by the Company	<u>22,055</u>	<u>13,703</u>
Outstanding balance	<u>4,120</u>	<u>2,520</u>
<i>(ii) Redeemable Class A Preference Shares- GMR Energy Limited</i>		
At start of the year	-	18,567,895
Redeemed during the year	<u>-</u>	<u>(18,567,895)</u>
At end of the year (Note 11(i))	<u>-</u>	<u>-</u>
<i>(iii) Redeemable Class B Preference Shares- GMR Energy Projects (Mauritius) Limited</i>		
At start of the year	17,209,207	-
Addition during the year	-	18,600,000
Payable converted to redeemable class B preference share (Note 13 (iv))	-	1,320,000
Offset against capital reduction	<u>-</u>	<u>(2,710,793)</u>
At end of the year (Note 11(ii))	<u>17,209,207</u>	<u>17,209,207</u>

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13. RELATED PARTY DISCLOSURES (CONTINUED)

	<u>2023</u>	<u>2022</u>
	USD	USD
<i>(iv) Amount due to affiliates- GMR Energy Projects (Mauritius) Limited</i>		
At start of the year	500	21,000
Amount received during the year	-	1,299,500
Repaid during the year	(500)	-
Converted to Class B preference shares (Note 13 (iii))	-	(1,320,000)
	<u>-</u>	<u>(1,320,000)</u>
At end of the year (Note 12)	<u>-</u>	<u>500</u>

14. NOTES TO STATEMENT OF CASH FLOWS

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

Reconciliation of liabilities arising from financing activities:

	01 January	Financing cash flows	Non cash Flows	31 December
	USD	USD	USD	USD
31 December 2023				
Amount due to affiliates	500	(500)	-	-
	<u>500</u>	<u>(500)</u>	<u>-</u>	<u>-</u>
31 December 2022				
Amount due to affiliates	21,000	1,299,500	(1,320,000)	500
	<u>21,000</u>	<u>1,299,500</u>	<u>(1,320,000)</u>	<u>500</u>

NON-CASH TRANSACTION

The non cash transaction for the year ended 31 December 2022 consist of:

- A) Amount payable converted to redeemable class B preference share (Note 13(iv)).
- B) Capital reduction offset against redeemable class B preference share (Note 13(iii)).

15. IMMEDIATE AND ULTIMATE PARENT

The directors consider GMR Energy Limited, a company incorporated in India and GMR Power & Urban Infra Ltd, a public company listed on the Indian stock exchange, as the Company's immediate and ultimate parent respectively.

16. GOING CONCERN

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

17. EVENTS AFTER THE REPORTING DATE

There are no significant events after the reporting date requiring amendments in or disclosure to these financial statements for the year ended 31 December 2023.