# GMR INFRASTRUCTURE (OVERSEAS) LIMITED

## FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2023

**GMR INFRASTRUCTURE (OVERSEAS) LIMITED**

**FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**CONTENTS** | **PAGES**

**GMR INFRASTRUCTURE (OVERSEAS) LIMITED**

## COMPANY INFORMATION

| | | Date of appointment | Date of resignation |
|---|---|---|---|
| **DIRECTORS** : | Diwan Prakash Kumar (Alternate to Sandeep Subash) | 21 June 2022 | - |
| | Rishikesh Batoosam | 30 June 2020 | - |
| | Akash Ramessur | 15 October 2020 | - |
| | Subash Sandeep | 31 March 2022 | - |

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

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

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

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

## COMMENTARY OF THE DIRECTORS

The directors are pleased to present their commentary together with the audited financial statements of GMR Infrastructure (Overseas) Limited (the "Company") for the year ended 31 December 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 3,254,990** (2022: Profit of USD 16,227,817).

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 that the business will not be a going concern in the year ahead.

### AUDITORS

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

**By Order of the Board** DS

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

**SECRETARY**

**Date:** 15 April 2024

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

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

We certify, as secretary of GMR Infrastructure (Overseas) 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.

DS

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 INFRASTRUCTURE (OVERSEAS) LIMITED**

**Report on the Audit of Financial Statements**

We have audited the financial statements of GMR Infrastructure (Overseas) Limited (the "Company"), which comprise the statement of financial position as at 31 December 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 then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 36.

In our opinion, these financial statements give a true and fair view of the financial position of GMR Infrastructure (Overseas) Limited as at 31 December 2023 and of its financial performance and cash flow 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.

*Emphasis of matter*

We draw attention to note 18 to the financial statements which indicates that as at 31 December 2023 the Company has accumulated loss of USD 144,270,912 and as at date, its total liabilities exceeded its total assets by USD 144,270,811. The note also indicates why in these circumstances, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

*Other Information*

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

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

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

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

**Report on the Audit of Financial Statements (continued)**

*Directors' Responsibilities for the Financial Statements*

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

**Report on the Audit of Financial Statements (continued)**

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

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

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

**Other Matter**

This report is made solely to the Company's 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 INFRASTRUCTURE (OVERSEAS) LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Notes | **2023 USD** | 2022 USD |
|---|---|---|---|
| **INCOME** | | | |
| Reversal of impairment on deposit on shares | 8 (ii), (vi) | **1,989,951** | 10,955 |
| Interest income | 13(c), (e) & 16 | **1,215,100** | 985,245 |
| Reversal of impairment on investment in subsidiaries | 6 | **274,999** | 33,786,004 |
| Gain on exchange | | **171** | 146 |
| **TOTAL INCOME** | | **3,480,221** | 34,782,350 |
| **EXPENSES** | | | |
| Interest expense on loans from related parties | 12 (b),(d),(e),(f),(g),(h) | **2,024,687** | 7,432,638 |
| Impairment of deposit on shares | 8 (iv) (vi) | **652,078** | 2,507,861 |
| Legal and professional fees | | **17,489** | 82,946 |
| Secretarial and administration fees | | **14,303** | 12,546 |
| Accounting fees | | **8,110** | 8,000 |
| Audit fees | | **3,214** | 241 |
| Licence and registration fees | | **2,470** | 2,320 |
| Directors' fees | | **2,400** | 2,400 |
| Bank charges | | **1,801** | 7,784 |
| Tax fees | | **1,215** | 1,200 |
| Other expenses | | **318** | 1,444 |
| Advisory expenses | | **-** | 85,489 |
| **TOTAL EXPENSES** | | **2,728,085** | 10,144,869 |
| **PROFIT FROM OPERATING ACTIVITIES** | | **752,136** | 24,637,481 |
| Loss on disposal of deposit on shares | 8 (vi) | **(4,020,725)** | - |
| Other income | 15 | **13,599** | 2,223,523 |
| Investment in subsidiary written off | 6 | **-** | (10,622,232) |
| Deposit on shares written off | 8 (ii) | **-** | (10,955) |
| **(LOSS) / PROFIT BEFORE INCOME TAX** | | **(3,254,990)** | 16,227,817 |
| Income tax expense | 5 | **-** | - |
| **(LOSS) / PROFIT FOR THE YEAR** | | **(3,254,990)** | 16,227,817 |
| Other comprehensive income | | **-** | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **(3,254,990)** | 16,227,817 |

**GMR INFRASTRUCTURE (OVERSEAS) LIMITED**

**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2023**

| | Notes | 2023 USD | 2022 USD |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in subsidiaries | 6 | **23,104,705** | 23,104,706 |
| **Current assets** | | | |
| Deposit on shares | 8 | **30,619,305** | 40,525,069 |
| Financial assets at amortised cost | 7 | **-** | 16,278,995 |
| Prepayments | | **1,256** | 1,095 |
| Cash and cash equivalents | | **27,257** | 1,400,501 |
| **Total current assets** | | **30,647,818** | 58,205,660 |
| **TOTAL ASSETS** | | **53,752,523** | 81,310,366 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Stated capital | 9 | **101** | 101 |
| Accumulated losses | | **(144,270,912)** | (141,015,922) |
| **Total shareholders' deficit** | | **(144,270,811)** | (141,015,821) |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Accounts payables | 11 | **1,448,975** | 14,097,649 |
| Loan payable | 12 | **196,574,359** | 208,228,538 |
| **Total current liabilities** | | **198,023,334** | 222,326,187 |
| **Total liabilities** | | **198,023,334** | 222,326,187 |
| **TOTAL EQUITY AND LIABILITIES** | | **53,752,523** | 81,310,366 |

Authorised for issue by the Board of directors on 15 April 2024
and signed on its behalf by

DocuSigned by:
91CB1B11FA0F404...

**Director**

DocuSigned by:
9A30FCBDBFB7498...

**Director**

The notes on pages 12 to 36 form an integral part of these financial statements.

**GMR INFRASTRUCTURE (OVERSEAS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Stated capital USD | Share application monies USD | Accumulated losses USD | Total USD |
|---|---|---|---|---|
| At 01 January 2022 | 101 | 16,283,900 | (157,243,739) | (140,959,738) |
| *Transaction with owners of the Company* | | | | |
| *Refund of share application monies (Note 10)* | - | (16,283,900) | - | (16,283,900) |
| *Total transaction with owner of the Company* | - | (16,283,900) | - | (16,283,900) |
| *Comprehensive income* | | | | |
| *Profit for the year* | - | - | 16,227,817 | 16,227,817 |
| *Total comprehensive income* | - | - | 16,227,817 | 16,227,817 |
| At 31 December 2022 | 101 | - | (141,015,922) | (141,015,821) |
| **Comprehensive income** | | | | |
| Loss for the year | **-** | **-** | **(3,254,990)** | **(3,254,990)** |
| **Total comprehensive income** | **-** | **-** | **(3,254,990)** | **(3,254,990)** |
| **At 31 December 2023** | **101** | **-** | **(144,270,912)** | **(144,270,811)** |

**GMR INFRASTRUCTURE (OVERSEAS) LIMITED**

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Notes | **2023 USD** | 2022 USD |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| (Loss) / Profit before income tax | | **(3,254,990)** | 16,227,817 |
| *Adjustments for:* | | | |
| Investment in subsidiary written off | 6 | **-** | 10,622,232 |
| Deposit on share written off | 8 (ii) | **-** | 10,955 |
| Impairment of deposit on shares | 8 (iv),(vi) | **652,078** | 2,507,861 |
| Interest income | 13(c), (e) & 16 | **(1,215,100)** | (985,245) |
| Interest expense on loan from related parties | 12 (b),(d),(e),(f),(g),(h) | **2,024,687** | 7,432,638 |
| Reversal of impairment of deposit of shares | 8 (ii) (vi) | **(1,989,951)** | (10,955) |
| Reversal of impairment on investment in subsidiaries | 6 | **(274,999)** | (33,786,004) |
| Loss on disposal on deposit on shares | 6 & 8 | **4,020,725** | - |
| Profit on disposal on investment in subsidiary | 15 | **-** | (2,179,107) |
| **Operating loss before working capital changes** | | **(37,550)** | (159,808) |
| *Changes in working capital:* | | | |
| Change in prepayments | | **(161)** | (120) |
| Change in accruals | | **326** | (41,615) |
| **Net cash used in operating activities** | | **(37,385)** | (201,543) |
| **Cash flows from investing activities** | | | |
| Interest received | 13 (e) & 16 | **696,610** | 86,250 |
| Deposit on shares | 8 | **4,127,912** | 187,460,258 |
| Proceed received from disposal of investment in subsidiary and deposit on shares | 6 & 8 (vi) | **3,370,000** | - |
| Funds received from affiliate | 13 (c) | **26,797,485** | 1,030,000 |
| Advance to affiliate | 13 (c) | **(10,000,000)** | (15,560,000) |
| Disposal from liquidation | 6 | **-** | 22,550,000 |
| Redemption of preference shares | 6 | **-** | 25,170,000 |
| **Net cash from investing activities** | | **24,992,007** | 220,736,508 |
| **Cash flows from financing activities** | | | |
| Loan advanced by affiliates | 12 | **15,800,000** | 82,080,000 |
| Loan repaid to affiliates | 12 | **(29,478,866)** | (253,191,237) |
| Amount repaid to affiliates | 13 (b) | **(12,649,000)** | (19,920,000) |
| Subscription monies repaid | 10 | **-** | (16,283,900) |
| Interest paid on loan | 12 (f) | **-** | (12,000,000) |
| **Net cash used in financing activities** | | **(26,327,866)** | (219,315,137) |
| **Net change in cash and cash equivalents** | | **(1,373,244)** | 1,219,828 |
| Cash and cash equivalents at beginning of the year | | **1,400,501** | 180,673 |
| **Cash and cash equivalents at end of the year** | | **27,257** | 1,400,501 |

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

The notes on pages 12 to 36 form an integral part of these financial statements.

## 1 GENERAL INFORMATION

GMR Infrastructure (Overseas) Limited (the ''Company'') is a public limited company incorporated on 23 June 2010. The Company holds a Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Mauritius.

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

## 2 MATERIAL ACCOUNTING POLICIES

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

### *Basis of presentation*

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

The preparation of financial statements in conformity with IFRS, as modified by 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 significant to the financial statements are described in Note 3.

As at 31 December 2023, the Company had an accumulated losses of **USD 144,270,912** (2022: USD 141,015,922) and as at reporting date the Company had a shareholders' deficit of USD **141,270,811** (2022: USD 141,015,821). The shareholder has confirmed that it will continue to provide financial support to the Company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

### *Changes in accounting policy and disclosures*

### *New and amended standards adopted by the Company*

During the year under review, the following standards, amendments and interpretations were effective.

| **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.

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

***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.

***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)

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

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

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)

***Foreign currency translation***

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### *Taxation*

The tax expense for the year comprises of current tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

### *Revenue recognition*

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company’s activities as described below:
Dividend income is recognised when the shareholder’s right to receive payment is established.
Interest income is recognised on a time basis using the effective interest method.
Dividend and interest income are shown gross of withholding taxes.

### *Expenses recognition*

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

### *Current versus non-current classification*

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

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

All other assets are classified as non-current.

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

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

***Investments in subsidiaries***

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

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

***Consolidated financial statements***

The financial statements contain information about GMR Infrastructure (Overseas) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company owns 100% in GMR Energy Projects (Mauritius) Limited, 99.97% in GMR Coal Resources Pte Limited, 76.87% in GMR Male International Airport Pvt Limited, 99.97% in GMR Infrastructure Overseas Malta Limited and 100% in GMR Infrastructure UK Limited respectively. The Company has taken advantage of the exemption provided by 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. The registered office of the ultimate parent is Plot N301, G Block 7th Floor Naman Centre Bandra Kurla Complex (Opp. Dena Bank) Bandra (East), Mumbai 400 051, India.

***Financial instruments***

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

*Financial assets*

*(a) Classification and initial measurement*

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

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

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

***Financial instruments (continued)***

*Financial assets (continued)*

*(b) Subsequent measurement*

*Debt instruments*

- *Financial assets at amortised cost*

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

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

*Amount receivable from related parties*

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

*Cash and cash equivalents*

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

*(c) Impairment*

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

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

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

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

***Financial instruments (continued)***

*Financial assets (continued)*

*(d) Derecognition*

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

*Financial liabilities*

*(a) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans payables and accounts payables, net of directly attributable transaction costs.

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

*(b) Subsequent measurement*

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

*(i) Loans payables*

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

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

This category generally applies to interest-bearing loans.

*(ii) Accounts payables*

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

## 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

***Financial instruments (continued)***

*Financial liabilities (continued)*

*(c) Derecognition*

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

*Offsetting of financial instruments*

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

***Impairment of non-financial assets***

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

***Stated capital***

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

***Provisions***

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

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

*Determination of functional currency*

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

*Impairment assessment*

The directors have assessed the carrying value of the investments in the subsidiaries and deposit on shares at 31 December 2023 as detailed in Note 6 and Note 8. The Company provided an impairment against deposit on shares amounting to USD **652,078** (2022: USD 517,910) in GMR Infrastructure UK Limited based on recoverability, a reversal of impairment against deposit on shares amounting to USD **1,989,951** (2022: impairment of USD 1,989,951) and a reversal of impairment against investments amounting to USD **274,999** (2022: impairment of USD Nil) in Indo Tausch Trading DMCC as the investment and deposit on shares have been disposed during the year.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

*Going concern*

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

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

## 4 FINANCIAL RISK MANAGEMENT

***Financial risk factors***

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. 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

*Currency profile*

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

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

| | **Financial assets 2023 USD** | Financial assets 2022 USD | **Financial liabilities 2023 USD** | Financial liabilities 2022 USD |
|---|---|---|---|---|
| United States Dollar | **19,753** | 17,673,887 | **198,023,334** | 222,326,187 |
| Euro | **7,504** | 5,609 | **-** | - |
| | **27,257** | 17,679,496 | **198,023,334** | 222,326,187 |

*Sensitivity analysis*

At 31 December 2023, the Company has financial assets of **USD 7,504** (2022: USD 5,609) denominated in EURO and if EURO ("EUR") had weakened/strengthened by 5% against the United States Dollar ("USD") with all other variables held constant, pre-tax profit for the year would have decreased or increased by **USD 375** (2022: USD 280), mainly as a result of foreign exchange gains on translation of EUR denominated financial assets.

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk factors (continued)***

*(a) Market risk (continued)*

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company holds interest bearing financial liabilities such as loans payable. Loan payable bear fixed rate of interest.

| Fixed rate instruments | **2023 USD** | 2022 USD |
|---|---|---|
| Loan payable | **119,229,765** | 133,555,078 |

(iii) Price risk

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

*(b) Credit risk*

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

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

Management does not foresee any significant credit risk involving the amount receivable. Therefore, no expected credit loss has been recognised as at 31 December 2023.

*(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 based on contractual undiscounted payments:

| | **Repayable on demand USD** | **Within one year USD** | **Total USD** |
|---|---|---|---|
| **2023** | | | |
| **Financial liabilities** | | | |
| Amount due to affiliates | **1,441,209** | **-** | **1,441,209** |
| Accruals | **-** | **7,766** | **7,766** |
| Loan payable | **191,596,206** | **4,978,153** | **196,574,359** |
| **Total financial liabilities** | **193,037,415** | **4,985,919** | **198,023,334** |

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk factors (continued)***

*(c) Liquidity risk (continued)*

| | Repayable on demand USD | Within one year USD | Total USD |
|---|---|---|---|
| 2022 | | | |
| Financial liabilities | | | |
| Amount due to affiliates | 14,090,209 | - | 14,090,209 |
| Accruals | - | 7,440 | 7,440 |
| Loan payable | 208,228,538 | - | 208,228,538 |
| Total financial liabilities | 222,318,747 | 7,440 | 222,326,187 |

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

***Categories of financial instruments***

| | **2023 USD** | 2022 USD |
|---|---|---|
| **Financial assets at amortised cost** | | |
| Amount due from related parties | **-** | 16,278,995 |
| Cash and cash equivalents | **27,257** | 1,400,501 |
| **Total financial assets** | **27,257** | 17,679,496 |
| **Financial liabilities at amortised cost** | | |
| Accounts payable | **1,448,975** | 14,097,649 |
| Loans payable | **196,574,359** | 208,228,538 |
| **Total financial liabilities** | **198,023,334** | 222,326,187 |

***Fair values of financial instruments***

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

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

***Capital management***

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

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

## 5 INCOME TAX EXPENSE

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

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 Mauritian 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 32,413,922** (2022: USD 36,214,610) and therefore was not liable to income tax.

Tax losses amounting to USD **3,834,030** (2022: USD 919,056) has been lapsed during the year.

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

Up to the years ending

| | **USD** |
|---|---|
| 31 December 2023 | **3,834,030** |
| Lapsed during the year | **(3,834,030)** |
| 31 December 2024 | **11,662,812** |
| 31 December 2025 | **20,673,722** |
| 31 December 2026 | **9,700** |
| 31 December 2027 | **34,346** |
| 31 December 2028 | **33,342** |
| | **32,413,922** |

## 5 INCOME TAX EXPENSE (CONTINUED)

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

| | **2023** | 2022 |
|---|---|---|
| | **USD** | USD |
| (Loss) / Profit before taxation | **(3,254,990)** | 16,227,817 |
| | ========== | ========== |
| Applicable income tax at tax rate of 15% | **(488,249)** | 2,434,173 |
| Impact of: | | |
| Exempt income | **(2,040)** | - |
| Income not subject to tax | **(339,743)** | (5,403,072) |
| Expenses not deductible for tax purposes | **825,030** | 2,963,747 |
| Utilised during the year | **5,002** | 5,152 |
| | ---------- | ---------- |
| Income tax charge | **-** | - |
| | ========== | ========== |

A *deferred income tax*

A deferred income tax asset of **USD 4,862,088** (2022: USD 5,432,192) has not been recognised in respect of accumulated 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

| | **2023** | 2022 |
|---|---|---|
| | **USD** | USD |
| *Unquoted investments at cost:* | | |
| At start of the year | **23,104,706** | 45,481,827 |
| Disposed during the year | **(275,000)** | (20,370,893) |
| Redeemed during the year | **-** | (25,170,000) |
| Reversal of impairment | **274,999** | 33,786,004 |
| Amount written off during the year | **-** | (10,622,232) |
| | ---------- | ---------- |
| At end of the year | **23,104,705** | 23,104,706 |
| | ========== | ========== |

During the year 2023, the Company has disposed its investment in Indo Tausch Trading DMCC (including its deposit on shares) for a consideration of USD 3,370,000 and a loss on disposal amounting to USD 4,020,725 has been recognised.

During the year 2022, the Company has redeemed its preference share from GMR Coal Resources Pte Ltd amounting to USD 25,170,000. In addition, the Company has written off its investment in GMR Infrastructure (Cyprus) Ltd amounting to USD 2 which brings its investment to NIL. Further during the year, the Company has received proceed from liquidation of GMR Energy (Netherlands) B.V amounting to USD 22,550,000.

During the year 2022, the Company had assessed the financial performance and position of the subsidiaries and have concluded that the investments in GMR Coal Resources Pte. Limited is subject to a reversal of impairment amounting to USD 23,163,774.

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## 6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company holds investments in the following companies:

| **Name of company** | **% Holding** | **Country of Inc** | **Class of shares held** | **Number of shares 2023 & 2022** | **Cost of investment 2023 & 2022** | **2023 USD** | 2022 USD |
|---|---|---|---|---|---|---|---|
| GMR Coal Resources Pte Ltd | 99.97% | Singapore | Equity | 101,820,000 | **75,475,000** | **1** | 1 |
| GMR Coal Resources Pte Ltd | | Singapore | Redeemable preference share | Nil | **Nil** | **-** | - |
| GMR Male International Airport Pvt Limited | 76.87% | Republic of Maldives | Equity | 29,452,500 | **23,100,000** | **23,100,000** | 23,100,000 |
| GMR Infrastructure Overseas Limited Malta | 99.97 % | Republic of Malta | Equity | 3,010 | **4,702** | **4,702** | 4,702 |
| Indo Tausch Trading DMCC | Nil | United Arab Emirates | Equity | Nil (2022: 1000) | **Nil** (2022: 275,000) | **-** | 1 |
| GMR Infrastructure UK Limited | 100 % | United Kingdom | Equity | 5,010,000 | **1** | **1** | 1 |
| GMR Energy Projects (Mauritius) Limited | 100 % | Mauritius | Equity | 10,000 | **1** | **1** | 1 |
| **At end of year** | | | | | | **23,104,705** | 23,104,706 |

During the year 2023:

- Equity investment in Indo Tausch Trading DMCC with cost of investment amounting to USD 275,000 and number of shares of 1,000 has been disposed for an amount of USD 275,000.

During the year 2022:

- Redeemable preference shares held in GMR Coal Resources Pte Ltd has been redeemed at cost of USD 25,170,000.
- Equity investment in GMR Infrastructure (Cyprus) Limited has been written off.
- Equity investment in GMR Energy (Netherlands) B.V has been disposed during the year.

## 6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

| | **2023 USD** | 2022 USD |
|---|---|---|
| GMR Coal Resources Pte. Limited | | |
| Cost: | | |
| At start and end of the year | **75,475,000** | 100,645,000 |
| Redemption of preference shares | **-** | (25,170,000) |
| At end of the year | **75,475,000** | 75,475,000 |
| Impairment: | | |
| At start of the year | **(75,474,999)** | (98,638,773) |
| Reversal of impairment | **-** | 23,163,774 |
| At end of the year | **(75,474,999)** | (75,474,999) |
| Carrying amount at year end | **1** | 1 |
| GMR Infrastructure (Cyprus) Limited | | |
| Cost: | | |
| At start of the year | **-** | 10,622,232 |
| Write off during the year | **-** | (10,622,232) |
| At end of the year | **-** | - |
| Impairment: | | |
| At start of the year | **-** | (10,622,230) |
| Reversal of impairment | **-** | 10,622,230 |
| At end of the year | – | – |
| Carrying amount at year end | **-** | - |
| GMR Male International Airport Pvt Limited | | |
| Cost: | | |
| At start and end of the year | **23,100,000** | 23,100,000 |
| Carrying amount at year end | **23,100,000** | 23,100,000 |
| GMR Infrastructure Overseas Limited Malta | | |
| Cost: | | |
| At start and end of the year | **4,702** | 4,702 |
| Carrying amount at year end | **4,702** | 4,702 |

## 6 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

| | 2023 USD | 2022 USD |
|---|---|---|
| GMR Infrastructure UK Limited | | |
| Cost: | | |
| At start and end of the year | **1** | 1 |
| Carrying amount at year end | **1** | 1 |
| GMR Energy Projects (Mauritius) Limited | | |
| Cost: | | |
| At start and end of the year | **1** | 1 |
| Carrying amount at year end | **1** | 1 |
| GMR Energy (Netherlands) B.V | | |
| Cost: | | |
| At start of the year | **-** | 20,370,893 |
| Return of share premium during the year | **-** | - |
| Disposed during the year | **-** | (20,370,893) |
| At end of the year | **-** | - |
| Carrying amount at year end | **-** | - |
| Indo Tausch Trading DMCC | | |
| Cost: | | |
| At start of the year | **275,000** | 275,000 |
| Disposed during the year | **(275,000)** | - |
| At end of the year | **-** | - |
| Impairment: | | |
| At start of the year | **(274,999)** | (274,999) |
| Reversal of impairment during the year | **274,999** | - |
| At end of the year | **-** | - |
| Carrying amount at year end | **-** | 1 |
| Total carrying amount at year end | **23,104,705** | 23,104,706 |

*Voting rights*

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

*Winding up*

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

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

*Distribution of surplus assets*

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

## 7 FINANCIAL ASSETS AT AMORTISED COST

*Classification of financial assets at amortised cost.*

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments:

| | **2023 USD** | 2022 USD |
|---|---|---|
| Amount receivables from related parties (Note 13 (c), (e)) | **-** | 16,278,995 |
| Less:loss allowance for debt investments at amortised cost | **-** | - |
| | **-** | 16,278,995 |

*Other receivables from related parties and non related parties*

These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

*Impairment and risk exposure*

Note 4(b) sets out information about the impairment of financial assets and the Company's exposure to credit risk.

All of the financial assets at amortised cost are denominated USD currency units. As a result, there is no exposure to foreign currency risk.

## 8 DEPOSIT ON SHARES

| Advance against equity to be allotted by: | **2023 USD** | 2022 USD |
|---|---|---|
| (i) GMR Coal Resources Pte. Limited | | |
| Cost: | | |
| At start of the year | **-** | 227,578,168 |
| Advanced during the year | **-** | 9,822,264 |
| Refund during the year | **-** | (237,400,432) |
| At end of the year | **-** | - |

## 8 DEPOSIT ON SHARES (CONTINUED)

| | 2023 USD | 2022 USD |
|---|---|---|
| (ii) GMR Infrastructure (Cyprus) Limited | | |
| Cost: | | |
| At start of the year | - | 10,955 |
| Deposit on shares written off | - | (10,955) |
| At end of the year | - | - |
| Impairment: | | |
| At start of the year | - | (10,955) |
| Reversal of impairment during the year | - | 10,955 |
| At end of the year | - | - |
| Carrying amount at year end | - | - |
| (iii) GMR Infrastructure Overseas Limited - Malta | | |
| At start and end of the year | **298,980** | 298,980 |
| (iv) GMR Infrastructure UK Limited | | |
| Cost: | | |
| At start of the year | **2,297,609** | 1,779,699 |
| Advanced during the year | **652,078** | 517,910 |
| At end of the year | **2,949,687** | 2,297,609 |
| Impairment: | | |
| At start of the year | **(2,297,609)** | (1,779,699) |
| Impaired during the year | **(652,078)** | (517,910) |
| At end of the year | **(2,949,687)** | (2,297,609) |
| Carrying amount at year end | - | - |

## 8 DEPOSIT ON SHARES (CONTINUED)

| | **2023 USD** | 2022 USD |
|---|---|---|
| (v) GMR Male International Airport Pvt Limited | | |
| At start and end of the year | **325** | 325 |
| (vi) Indo Tausch Trading DMCC | | |
| Cost: | | |
| At start of the year | **7,765,715** | 2,615,715 |
| Advance during the year | **850,000** | 5,250,000 |
| Refund during the year | **(1,499,990)** | (100,000) |
| Disposed during the year | **(7,115,725)** | - |
| At end of the year | **-** | 7,765,715 |
| Impairment: | | |
| At start of the year | **(1,989,951)** | - |
| Impaired during the year | **-** | (1,989,951) |
| Reversal of impairment during the year | **1,989,951** | - |
| At end of the year | **-** | (1,989,951) |
| Carrying amount at year end | **-** | 5,775,764 |
| (vii) GMR Power & Urban Infra (Mauritius) Limited | | |
| At start of the year | **34,450,000** | - |
| Advance during the year | **8,020,000** | 35,050,000 |
| Refund during the year | **(12,150,000)** | (600,000) |
| At end of the year | **30,320,000** | 34,450,000 |
| Total Carrying amount at year end | **30,619,305** | 40,525,069 |

During the year 2023, deposit on shares in Indo Tausch Trading DMCC has been disposed for an amount of USD 3,095,000. The Company has disposed its investment in Indo Tausch Trading DMCC (including its deposit on shares) for a consideration of USD 3,370,000 and a loss on disposal amounting to USD 4,020,725 has been recognised.

During the year 2022, GMR Infrastructure (Cyprus) Limited has been liquidated thus resulting to a reversal of impairment and write off on the deposit on shares.

## 9 STATED CAPITAL

| *Issued and fully paid up* | Number of shares **2023** | Number of shares 2022 | **2023 USD** | 2022 USD |
|---|---|---|---|---|
| At start/ end of year | **101** | 101 | **101** | 101 |

The par value of each ordinary share is USD 1.

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

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

## 10 SHARE APPLICATION MONIES

| | **2023 USD** | 2022 USD |
|---|---|---|
| At start of the year | **-** | 16,283,900 |
| Repayment during the year | **-** | (16,283,900) |
| At end of year | **-** | - |

## 11 ACCOUNTS PAYABLE

| | **2023 USD** | 2022 USD |
|---|---|---|
| Accruals | **7,766** | 7,440 |
| Amount due to affiliates (Note 13(b)) | **1,441,209** | 14,090,209 |
| | **1,448,975** | 14,097,649 |

## 12 LOANS PAYABLE

| | **2023 USD** | 2022 USD |
|---|---|---|
| Non-current | **-** | - |
| Current | **196,574,359** | 208,228,538 |
| Total loans payable | **196,574,359** | 208,228,538 |

*(a) GMR Infrastructure (Overseas) Limited (Malta)- (affiliate)*

| | | |
|---|---|---|
| At start of the year | **2,948,460** | 2,976,394 |
| Repayment during the year | **(28,866)** | (27,934) |
| At end of the year (Note 13(a)) | **2,919,594** | 2,948,460 |

The loan payable to GMR Infrastructure (Overseas) Limited (Malta) is unsecured, interest free and repayable on demand.

*(b) GMR Power and Urban Limited- (parent)*

| | | |
|---|---|---|
| At start of the year | **-** | - |
| Loan received during the year | **500,000** | - |
| Interest expense during the year | **7,315** | - |
| At end of the year (Note 13 (d)) | **507,315** | - |

The loan payable to GMR Power and Urban Limited is unsecured, bears interest rate of 6% per annum and is repayable on demand with one week's notice.

## 12 LOANS PAYABLE (CONTINUED)

| | **2023** | 2022 |
|---|---|---|
| | **USD** | USD |
| *(c) GMR Male International Airport Private Limited – (subsidiary)* | | |
| At start of the year | **68,725,000** | 68,735,000 |
| Loan repaid during the year | **-** | (10,000) |
| At end of the year (Note 13 (h)) | **68,725,000** | 68,725,000 |

The total loan facilty with GMR Male International Airport Private Limited has been approved as per resolution date 13 December 2018 for a total amount of USD 100,000,000 out of which USD 69,410,000 has been disbursed and USD 685,000 has been repaid. The loan is unsecured, interest free and repayable on demand.

*(d) GMR Holding (Mauritius) Limited -(affiliate)*

| | | |
|---|---|---|
| At start of the year | **-** | - |
| Loan received during the year | **1,000,000** | 600,000 |
| Interest expense during the year | **500** | - |
| Loan repaid during the year | **-** | (600,000) |
| At end of the year | **1,000,500** | - |

The total loan facility with GMR Holding (Mauritius) Limited has been approved as per resolution date 29 December 2023 for a total amount of USD 10,000,000. The loan payable to GMR Holding (Mauritius) Limited is unsecured, bears interest rate of 6% per annum and is repayable by 30 June 2024.

*(e) GMR Infrastructure (Singapore) Pte Limited - (Affiliate)*

| | | |
|---|---|---|
| At start of the year | **130,516,428** | 221,067,899 |
| Loan received during the year | **10,750,000** | 68,480,000 |
| Interest expense during the year | **1,927,869** | 3,300,548 |
| Repayment of loan during the year | **(29,450,000)** | (172,830,000) |
| Loan transferred from Pines Energy Pte Ltd (Note 12 (g)) | **-** | 10,497,981 |
| At end of the year (Note 13 (g)) | **113,744,297** | 130,516,428 |

The loan payable to GMR Infrastructure (Singapore) Pte Limited is unsecured, bears interest of 2% per annum and is repayable on demand.

*(f) GMR Infrastructure Limited -(affiliate)*

| | | |
|---|---|---|
| At start of the year | **-** | 88,161,434 |
| Interest expense during the year | **-** | 3,561,869 |
| Repayment of loan during the year | **-** | (79,723,303) |
| Repayment of interest during the year | **-** | (12,000,000) |
| At end of the year (Note 13 (f)) | **-** | - |

The loan payable to GMR Infrastructure Limited was unsecured, bore an interest of 6% and was repayable by 36 months from the date of the first disbursement as per the Inter Corporate Loan Agreement dated 6th March 2020.

## 12 LOANS PAYABLE (CONTINUED)

| *(g) Pine Energy Pte Ltd - (third party)* | **2023 USD** | 2022 USD |
|---|---|---|
| At start of the year | **-** | - |
| Loan received during the year | **-** | 10,000,000 |
| Interest expense during the year | **-** | 497,981 |
| Loan transferred to GMR Infrastructure (Singapore) Pte Limited (Note 12 (e)) | **-** | (10,497,981) |
| At end of the year | **-** | - |

The total loan of USD 15,500,000 bore interest at based rate of 7.75% and margin of 10.23%. The loan was repayable within 60 days of utilisation date and 2% additional rate was applicable in case of default in loan payable.

*(h) GMR Infrastructure (Singapore) Pte Limited - Philippines Branch*

| | | |
|---|---|---|
| At start of the year | **3,038,650** | 2,966,410 |
| Loan received during the year | **850,000** | - |
| Interest expense during the year | **89,003** | 72,240 |
| At end of the year | **3,977,653** | 3,038,650 |

The loan is unsecured, bears interest at rate of 2.5% and is repayable at the end of two years from the date of first drawdown, which was on the 04th of May 2020.

The Company had entered into a First Amendment Agreement dated 16 August 2022 to further extend the Loan Agreement for another 2 years ending 17 August 2024 for the loan facility of USD 500,000.

The Company had entered into a First Amendment Agreement dated 29 April 2022 to further extend the Loan Agreement for another 2 years ending 30 April 2024 for the loan facility of USD 2,400,000.

*(i) GMR Coal Resources Pte. Limited*

| | | |
|---|---|---|
| At start of the year | **3,000,000** | - |
| Loan received during the year | **2,700,000** | 3,000,000 |
| At end of the year | **5,700,000** | 3,000,000 |

The amount due to GMR Coal Resources Pte. Limited is unsecured, interest free and repayable on demand.

## 13 RELATED PARTY TRANSACTIONS

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

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

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

| *(b) Amount due to GMR Energy Projects (Mauritius) Limited - (affiliate)* | **2023 USD** | 2022 USD |
|---|---|---|
| At start of year | **14,090,209** | 34,010,209 |
| Amount repaid during the year | **(12,649,000)** | (19,920,000) |
| At end of year (Note 11) | **1,441,209** | 14,090,209 |

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

## 13 RELATED PARTY TRANSACTIONS (CONTINUED)

| *(c) Amount due from GMR Holding (Mauritius) Limited -(affiliate)* | **2023 USD** | 2022 USD |
|---|---|---|
| At start of the year | **15,582,385** | 850,000 |
| Amount advanced during the year | **10,000,000** | 15,560,000 |
| Amount repaid during the year | **(26,797,485)** | (1,030,000) |
| Interest receivable | **1,215,100** | 202,385 |
| At end of the year (Note 7) | **-** | 15,582,385 |

The terms and conditions of the loan receivable from GMR Holdings (Mauritius) Limited was insecured, bore an interest rate of 6% and was repayable by 02 October 2025.

*(d) Loan payable - GMR Power and Urban Limited- (parent)*

*The terms and condition of the loan with GMR Power and Urban Limited has been disclosed in note 12 (b).*

*(e) Amount due from GMR airport international BV*

| | | |
|---|---|---|
| At start of the year | **696,610** | - |
| Amount advanced during the year | **-** | 15,480,000 |
| Amount received during the year | **(696,610)** | (15,480,000) |
| Interest receivable | **-** | 696,610 |
| At end of the year (Note 7) | **-** | 696,610 |

As per loan agreement dated 12 January 2022, the loan was repayable on demand, unsecured and bears interest of 9% p.a

*(f) Loan payable - GMR Infrastructure Limited -(affiliate)*

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

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

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

*(h) Loan payable – GMR Male International Airport Private Limited -(subsidiary)*

The terms and conditions of the loan payable to *GMR Male International Airport Private Limited* has been disclosed in Note 12 (c).

## 13 RELATED PARTY TRANSACTIONS (CONTINUED)

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

| | **2023 USD** | 2022 USD |
|---|---|---|
| Fees paid during the year | **26,028** | 24,146 |
| | ========== | ========== |
| Fees accrued at end of the year | **5,121** | 5,140 |
| | ========== | ========== |

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

## 14 NOTES TO STATEMENT OF CASHFLOWS

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

(a) Reconciliation of liabilities arising from financing activities

| | **01 January 2023 USD** | **Financing cash inflows USD** | **Financing cash outflows USD** | **Financing non-cash inflows USD** | **Financing non-cash outflows USD** | **31 December 2023 USD** |
|---|---|---|---|---|---|---|
| Loan payable | **208,228,538** | **15,800,000** | **(29,478,866)** | **2,024,687** | **-** | **196,574,359** |
| Amount due to affiliates | **14,090,209** | **-** | **(12,649,000)** | **-** | **-** | **1,441,209** |

| | 01 January 2022 USD | Financing cash inflows USD | Financing cash outflows USD | Financing non-cash inflows USD | Financing non-cash outflows USD | 31 December 2022 USD |
|---|---|---|---|---|---|---|
| Share application monies | 16,283,900 | - | (16,283,900) | - | - | - |
| Loan payable | 383,907,137 | 82,080,000 | (265,191,237) | 17,930,619 | (10,497,981) | 208,228,538 |
| Amount due to affiliates | 34,010,209 | - | (19,920,000) | - | - | 14,090,209 |

## 15 OTHER INCOME

| | **2023 USD** | 2022 USD |
|---|---|---|
| Profit received from liquidation of GMR Energy (Netherlands) B.V | **-** | 2,179,107 |
| Winding up proceeds received from GMR Energy (Netherlands) B.V | **13,599** | 44,416 |
| | ---------- | ---------- |
| | **13,599** | 2,223,523 |
| | ========== | ========== |

## 16 INTEREST INCOME

The Company had fixed deposit of USD 50,000,000 at the bank with a maturity period of 15 days starting from the date of 28 September 2022. The fixed deposit was bearing an interest rate of 2.550 % and the Company received a total interest income of **USD Nil** (2022: 53,125).

The Company had fixed deposit of USD 30,000,000 at the bank with a maturity period of 15 days starting from the date of 17 October 2022. The fixed deposit was bearing an interest rate of 2.650 % and the Company received a total interest income of **USD Nil** (2022: 33,125).

## 17 PARENT AND ULTIMATE PARENT

The directors consider GMR Infrastructure (Singapore) Pte Limited entities incorporated in Singapore respectively as the Company's parent and GMR Power Urban and Infra Limited incorporated in India as the Company's ultimate parent.

## 18 GOING CONCERN

As at 31 December 2023 the Company had an accumulated loss **USD 144,270,912** (2022: USD 141,015,922) and as at that date, its total liabilities exceeded its total assets by **USD 144,270,811** (2022: USD 141,015,821). The shareholder has confirmed that it will continue to provide financial support to the Company to enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

## 19 EVENTS AFTER REPORTING DATE

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