

GMR POWER & URBAN INFRA (MAURITIUS) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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		Date of appointment
DIRECTORS	:	
	Narang Lilaram Suresh	01 June 2020
	Rishikesh Batoosam	30 June 2020
	Akash Ramessur	05 October 2020
	Subash Sandeep	31 March 2022
	Diwan Prakash Kumar	08 May 2017
ADMINISTRATOR AND SECRETARY	:	
	Ocorian Corporate Services Limited	
	Level 6, Tower A	
	1 Exchange Square,	
	Wall Street	
	Ebène	
	Republic of Mauritius	
REGISTERED OFFICE	:	
	C/o Ocorian Corporate Services Limited	
	Level 6, Tower A	
	1 Exchange Square	
	Wall Street	
	Ebène	
	Republic of Mauritius	
AUDITOR	:	
	RSM	
	7 th Floor, Carleton Tower,	
	Wall Street,	
	Ebène	
	Republic of Mauritius	
BANKERS	:	
	AfrAsia Bank Limited	
	Bowen Square	
	10, Dr Ferriere Street	
	Port Louis	
	Republic of Mauritius	

The directors are pleased to present their commentary together with the audited financial statements of GMR Power & Urban Infra (Mauritius) Ltd ("the Company") for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 December 2023 is **USD 15,938,787** (2022: 101,030,451).

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

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

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

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

AUDITOR

The auditor, RSM, 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
OCOMIAN CORPORATE
SERVICES MAURITIUS LIMITED

SECRETARY

Date: 15 April 2024

**SECRETARY'S CERTIFICATE
TO THE MEMBER OF GMR POWER & URBAN INFRA (MAURITIUS) LTD**

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

We certify, as secretary of GMR Power & Urban Infra (Mauritius) Ltd ("the Company"), that based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies for the year ended 31 December 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.

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

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED
COMPANY SECRETARY

Date: 15 April 2024



RSM

RSM (Mauritius) LLP
7th Floor Carleton Tower
Wall Street
Ebene

BRN: LLP1900014
VAT: 31070808

T +230 4335776
T+230 4605665
E rsm@rsmmu.mu

www.rsmmu.mu

Independent Auditor's Report To the Shareholder of GMR Power & Urban Infra (Mauritius) Ltd

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

Opinion

We have audited the financial statements of GMR Power & Urban Infra (Mauritius) Ltd set out on pages 8 to 33, 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.

In our opinion, the financial statements give true and fair view of the financial position of GMR Power & Urban Infra (Mauritius) Ltd as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

Without modifying our opinion, we draw attention to Note 2(i) in the financial statements which indicates that the Company was in a net current liability position at the reporting date of USD 2,363,209 (2022: USD 2,016,340). This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of financial support by its shareholder.

Other Information

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

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Established since 1982 as Margéot & Associates.

RSM (Mauritius) is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Lead sponsors



Other Information (Continued)

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

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Independent Auditor's Report
To the Shareholder of GMR Power & Urban Infra (Mauritius) Ltd (Continued)**

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

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

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

Report on Other Legal and Regulatory Requirements

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

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



**RSM (Mauritius) LLP
Chartered Accountants
Ebene, Mauritius**

Date: 15 April 2024



**Prashant Calcutteea, FCA
Licensed by FRC**

GMR POWER & URBAN INFRA (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 USD	2022 USD
INCOME			
Gain on disposal at fair value through profit or loss	5	-	28,651
Dividend income		16,179,340	-
Reversal of impairment on deposit on shares	8(i)	-	16,283,899
Profit on disposal	4	-	84,903,579
		<u>16,179,340</u>	<u>101,216,129</u>
EXPENSES			
Other professional fees		149	664
Secretarial and administration fees		24,689	13,653
Audit fees		7,590	7,780
Accountancy fees		9,875	7,136
Directors' fees		2,400	2,400
Licence and registration fees		2,020	2,220
Tax fees		1,200	1,234
Rental expense		2,084	5,976
Custody fees		-	2,500
Impairment of deposit on shares	8(ii)	-	3,798
Investment in subsidiary written off	4	-	1
		<u>50,007</u>	<u>47,362</u>
OPERATING GAIN			
Finance cost	3	(190,546)	(138,316)
PROFIT BEFORE INCOME TAX			
Income tax expense	13	-	-
PROFIT FOR THE YEAR			
		<u>15,938,787</u>	<u>101,030,451</u>
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u>15,938,787</u>	<u>101,030,451</u>

The notes on pages 12 to 33 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

GMR POWER & URBAN INFRA (MAURITIUS) LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

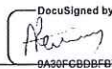
9.

	Notes	2023 USD	2022 USD Re-stated
ASSETS			
Non-current assets			
Investments in subsidiaries	4	47,113,482	47,113,482
Financial assets at fair value through other comprehensive income	6	2,064	2,064
Total non-current assets		47,115,546	47,115,546
Current assets			
Other non-financial assets	7	1,514	1,672
Deposit on shares	8(iii)	1	1
Cash and cash equivalents	9	34,039	35,780
Total current assets		35,554	37,453
Total assets		47,151,100	47,152,999
EQUITY AND LIABILITIES			
Stated capital	10	320,550,001	320,550,001
Share application monies	12	30,320,000	34,450,000
Treasury shares	10	(319,375,488)	(311,298,213)
Retained earnings		12,052,930	37,758
Total equity		43,547,443	43,739,546
Non-current liability			
Loans payable	11	1,204,894	1,359,660
Current liabilities			
Other payables		13,071	12,156
Loans payable	11	2,385,692	2,041,637
Total current liabilities		2,398,763	2,053,793
Total liabilities		3,603,657	3,413,453
Total equity and liabilities		47,151,100	47,152,999

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

DocuSigned by:

Director 91CB1B11FA0F404...

DocuSigned by:

Director 0A30FCBDBFB7408...

The notes on pages 12 to 33 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

GMR POWER & URBAN INFRA (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

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Re-stated	Stated capital USD	Share application monies USD	Treasury shares USD	Retained earnings USD	Total equity USD
At 01 January 2022	320,550,001	-	(221,648,574)	19,887,668	118,789,095
Profit for the year	-	-	-	101,030,451	101,030,451
Buyback during the year*	-	-	(210,530,000)	-	(210,530,000)
Issue during the year	-	34,450,000	-	-	34,450,000
At 31 December 2022 as previously reported	320,550,001	34,450,000	(432,178,574)	120,918,119	43,739,546
Buyback of shares reclassified to Retained earnings*	-	-	120,880,361	(120,880,361)	-
At 31 December 2022 as re- stated	320,550,001	34,450,000	(311,298,213)	37,758	43,739,546
Profit for the year	-	-	-	15,938,787	15,938,787
Buy back during the year*	-	-	(8,077,275)	(3,923,615)	(12,000,890)
Issue during the year	-	8,020,000	-	-	8,020,000
Repaid during the year	-	(12,150,000)	-	-	(12,150,000)
At 31 December 2023	320,550,001	30,320,000	(319,375,488)	12,052,930	43,547,443

*Refer to note 10 for the buyback of shares.

The notes on pages 12 to 33 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

GMR POWER & URBAN INFRA (MAURITIUS) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

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	Notes	2023 USD	2022 USD
<i>Cash flows from operating activities</i>			
Profit before income tax		15,938,787	101,030,451
<i>Adjustment for:</i>			
Finance cost	3	189,289	135,547
Dividend income		(16,179,340)	-
Write off of investment	4	-	1
Write off of deposit on shares	8 (ii)	-	3,798
Gain on disposal at Fair Value through profit or loss	5	-	(28,651)
Profit on disposal of investment	4	-	(84,903,579)
Reversal of rental deposit		627	-
Reversal of impairment on deposit on shares	8	-	(16,283,899)
		-----	-----
Cash used in operations before working capital changes		(50,637)	(46,332)
Increase in prepayments		(469)	(5)
Increase in accruals		915	1,331
		-----	-----
Net cash used in operating activities		(50,191)	(45,006)
		-----	-----
<i>Cash flows from investing activities</i>			
Disposal proceeds from sale of financial assets at fair value through profit or loss	5	-	31,606
Disposal proceed from investment in subsidiaries	4	-	158,605,115
Return of deposit on shares	8	-	17,495,366
Dividend received		16,179,340	-
		-----	-----
Net cash generated from investing activities		16,179,340	176,132,087
		-----	-----
<i>Cash flows from financing activities</i>			
Share application monies received	12	8,020,000	34,450,000
Share application monies repaid	12	(12,150,000)	-
Buyback during the year	10	(12,000,890)	(210,530,000)
Deposit on shares	8	-	(3,797)
		-----	-----
Net cash used in financing activities		(16,130,890)	(176,083,797)
		-----	-----
Net (decrease)/ increase in cash and cash equivalents		(1,741)	3,284
Cash and cash equivalents at beginning of the year		35,780	32,496
		-----	-----
Cash and cash equivalents at end of the year		34,039	35,780
		=====	=====

The notes on pages 12 to 33 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

1. GENERAL INFORMATION

GMR Power & Urban Infra (Mauritius) Ltd (the "Company") is a private limited company incorporated on 18 December 2007 and domiciled in the Republic of Mauritius, holds a Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company's registered office is C/o Ocorian Corporate Services Limited, Level 6, Tower A, 1 Exchange Square, Wall Street, Ebène, Republic of Mauritius.

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

2. 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.

(i) Basis of presentation

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

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

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

Material accounting judgements, estimates and assumptions.

Determination of functional currency

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

Going concern

For the year ended 31 December 2023, the Company was in a net current liability position of USD 2,363,209. The directors are confident that the Company's shareholder will continue to support the Company. The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the Company's shareholder. If the Company was unable to continue in operational existence for the foreseeable future, adjustment would have to be made to the balance sheet values of assets to bring them to their recoverable amounts, to provide for further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) *Basis of presentation (continued)*

Material accounting judgements, estimates and assumptions (continued)

Fair valuation of unquoted investments

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

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

During the year 2022, the investments were disposed.

Impairment assessment

The directors have assessed the carrying value of the investments in the subsidiaries at 31 December 2023 as detailed in Note 4. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

(ii) *Changes in accounting policy and disclosures*

New and amended standards

During the year under review, the following standards, amendments and interpretations were effective. The Company has not early adopted any other standard, amendment or interpretation that has been issued but is not yet 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)

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

New and amended standards (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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

New and amended standards (continued)

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.

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.

(iii) *Summary of material accounting policies*

Foreign currency translation

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iii) *Summary of material accounting policies*

Current and deferred income tax

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

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

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

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

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

Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Investment in subsidiaries

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

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

Consolidated financial statements

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

Financial instruments

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

Financial assets

(a) *Classification and initial measurement*

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Financial instruments (continued)

Financial assets (continued)

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

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

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

(b) *Subsequent measurement*

(i) *Equity instruments*

- Financial assets at fair value through profit or loss

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

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

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

(ii) *Debt instruments*

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

- Financial assets at amortised cost

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Financial instruments (continued)

Financial assets (continued)

(b) *Subsequent measurement (continued)*

(ii) Debt instruments (continued)

- Financial assets at amortised cost (continued)

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

Cash and cash equivalents

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

Loan to related parties

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

(c) *Impairment*

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iii) *Summary of 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 and borrowings and payables, net of directly attributable transaction costs.

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

(b) Subsequent measurement

(i) Loan payable

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

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

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

Financial instruments (continued)

Financial liabilities (continued)

(b) Subsequent measurement (continued)

(ii) Accounts payable

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

(c) Derecognition

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

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

Offsetting of financial instruments

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

Impairment of non-financial assets

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

Stated capital

Ordinary shares are classified as equity.

Treasury shares

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of material accounting policies (continued)

Revenue recognition

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

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

Interest income is recognised using the effective interest method.

Expenses recognition

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

Provisions

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

3. FINANCE COST

	2023	2022
	USD	USD
Interest on loan payable (Note 14(a)(i))	189,289	135,542
Bank charges	1,257	2,774
	-----	-----
	190,546	138,316
	=====	=====

4. INVESTMENTS IN SUBSIDIARIES

	2023	2022
	USD	USD
<i>Unquoted investments at cost:</i>		
At the beginning of year	47,113,482	120,815,019
Disposal during the year	-	(73,701,536)
Write off during the year	-	(1)
	-----	-----
At end of year	47,113,482	47,113,482
	=====	=====

The Company held investments in the following companies:

Name of subsidiaries	% Holding	Country of incorporation	Class of shares	Nature of business	Number of Shares	2023	2022
						USD	USD
GMR Infrastructure (Singapore) Pte. Limited	100% (2022: 100%)	Republic of Singapore	Ordinary	Investment holding	80,896,700 (2022: 80,896,700)	47,113,482	47,113,482
						=====	=====

Ordinary shares of 126,550,000 at cost USD 73,701,536 in GMR Infrastructure (Singapore) Pte Limited was sold at a consideration of USD 158,605,115 during the year 2022 leading to a profit on disposal of USD 84,903,579.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD	2022 USD
At start of the year	-	2,955
Disposed during the year	-	(2,955)
	-----	-----
At end of the year	-	-
	=====	=====

The following investments were disposed during the year 2022:

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

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Classification of financial assets at fair value through other comprehensive income

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

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

PT GMR Infrastructure Indonesia	2023 USD	2022 USD
At start and end of the year	2,064	2,064
	=====	=====

Name of subsidiaries	% Holding	Country of incorporation	Class of shares	Nature of business	Number of shares	2023 USD	2022 USD
PT GMR Infrastructure Indonesia	1% (2022: 1%)	Indonesia	Ordinary	Management Consultancy	100 (2022: 100)	2,064	2,064

7. OTHER NON- FINANCIAL ASSETS

	2023 USD	2022 USD
Prepayments	1,514	1,045
Rental deposit	-	627
	-----	-----
	1,514	1,672
	=====	=====

8. DEPOSIT ON SHARES

	2023 USD	2022 USD
Advance against equity to be allotted, to the Company, by (i) GMR Infrastructure (Overseas) Limited <i>Cost:</i>		
At start of the year	-	16,283,900
Movement during the year	-	(16,283,900)
	-----	-----
At end of the year	-	-
	-----	-----
Impairment:		
At start of the year	-	(16,283,899)
Movement during the year	-	16,283,899
	-----	-----
At end of the year	-	-
	-----	-----
Carrying amount at end of the year	-	-
	-----	-----

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

(ii) GADL International Limited

<i>Cost:</i>		
At start of the year	-	2,379,041
Movement during the year	-	3,797
Amount written off	-	(3,798)
	-----	-----
Carrying amount at end of the year	-	2,379,040
	-----	-----
Impairment:		
At start of the year	-	(2,379,040)
Movement during the year	-	-
	-----	-----
At end of the year	-	(2,379,040)
	-----	-----
Carrying amount at end of the year	-	-
	-----	-----

During the year 2022, GADL International Limited has been liquidated and the investment has been written off.

(iii) GMR Infrastructure UK Limited

At start of the year	17,854,886	17,854,886
Movement during the year	-	-
	-----	-----
Carrying amount at end of the year	17,854,886	17,854,886
	-----	-----
Impairment		
At start of the year	(17,854,885)	(17,854,885)
Movement during the year	-	-
	-----	-----
At end of the year	(17,854,885)	(17,854,885)
	-----	-----
Carrying amount at end of the year	1	1
	-----	-----

8. DEPOSIT ON SHARES (CONTINUED)

	2023 USD	2022 USD
(iv) GMR COAL RESOURCES PTE LTD		
At start of the year	-	1,211,466
Movement during the year	-	(1,211,466)
	-----	-----
Carrying amount at end of the year	-	-
	-----	-----
Total carrying amount at end of the year	1	1
	=====	=====

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

9. CASH AND CASH EQUIVALENTS

	2023 USD	2022 USD
<i>Cash at bank</i>		
Current accounts	34,039	35,780
	=====	=====

10. STATED CAPITAL AND TREASURY SHARES

	2023	2022	2023	2022
	Number of shares		USD	USD
<i>Issued and fully paid up</i>				
At the beginning of the year	320,550,001	320,550,001	320,550,001	320,550,001
	-----	-----	-----	-----
At end of year	320,550,001	320,550,001	320,550,001	320,550,001
	=====	=====	=====	=====
<i>Treasury Shares</i>				
At the beginning of the year	281,564,000	139,314,000	(311,298,213)	(221,648,574)
Buyback during the year	7,478,405	142,250,000	(8,077,275)	(210,530,000)
Buyback of shares reclassified to retained earnings	-	-	-	120,880,361
	-----	-----	-----	-----
At end of year	289,042,405	281,564,000	319,375,488	311,298,213
	=====	=====	=====	=====

Stated Capital:

Each ordinary share is of no par value.

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

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

10. STATED CAPITAL AND TREASURY SHARES (CONTINUED)

Treasury Shares:

(a) During the year 31 December 2023, pursuant to share buyback resolution between GMR Power & Urban Infra Limited and the Company dated 31 January 2023 and 20 November 2023, it was resolved to buyback additional 5,405,405 and 2,073,000 shares at USD 1.48 per share for a total consideration of USD 8,000,000 and 4,000,890 respectively. The shares amounting to USD 8,077,275 are recorded under treasury shares and USD 3,923,615 are recorded under retained earnings.

(b) During the year 31 December 2022, pursuant to share buyback resolution between GMR Power & Urban Infra Limited and the Company it was resolved to buyback additional 142,250,000 shares at USD 1.48 per share for a total consideration of USD 210,530,000. The shares amounting to USD 89,649,639 are recorded under treasury shares and USD 120,880,361 are recorded under retained earnings.

(c) During the year ended 31 December 2018, pursuant to share buyback agreement between GMR Infrastructure Limited and the Company, it was resolved to buyback 139,314,000 ordinary shares at USD 1.591 per share for a total consideration of USD 221,648,574 and the shares are recorded under treasury shares.

11. LOANS PAYABLE

	2023 USD	2022 USD
Loan from subsidiary (Note 14 b(i))	3,590,586	3,401,297
Total loans payable	3,590,586	3,401,297
Non-current		
Loan from subsidiary	1,204,894	1,359,660
Current		
Loan from subsidiary	2,385,692	2,041,637
Total loans payable	3,590,586	3,401,297

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

12. SHARE APPLICATION MONIES

	2023 USD	2022 USD
GMR Infrastructure (Overseas) Limited		
At start of the year	34,450,000	-
Acquired during the year	8,020,000	35,050,000
Refund during the year	(12,150,000)	(600,000)
At end of year	30,320,000	34,450,000

13. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2022: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence was automatically converted to a Global Business Licence ("GBL"). The Company is therefore operating under the new current tax regime as from 01 July 2021. Under the new regime, the Company is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

At 31 December 2023, the Company had accumulated tax losses of **USD Nil** (2022: USD 47,820).

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

Up to the year ending:

	USD
31 December 2026	40,874
31 December 2027	6,946
Utilised tax losses during the year 2023	(47,820)

	-
	=====

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

	2023 USD	2022 USD
Profit before taxation	15,938,787	101,030,451
	=====	=====
Applicable income tax at tax rate of 15% (2022:15 %)	2,390,818	15,154,568
Impact of:		
Exempt income	-	(12,739,835)
Income not taxable	-	(2,442,585)
Underlying tax	497,076	-
Expenses not deductible for tax purposes	28,770	26,810
Unutilised tax losses	(7,173)	(1,042)
Foreign tax credit	(2,909,491)	-
	-----	-----
Income tax charge	-	-
	=====	=====

Deferred income tax

A deferred tax asset of **USD Nil** (2022: USD 7,173) has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

14. RELATED PARTY TRANSACTIONS

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

<u>(a) Loans payable</u>	2023 USD	2022 USD
<i>(i) GMR Infrastructure (Singapore) Pte Ltd - Ph Branch</i>		
At start of the year	3,401,297	3,265,755
Interest payable during the year (Note 3)	189,289	135,542
	-----	-----
At end of the year (Note 11)	<u>3,590,586</u>	<u>3,401,297</u>

Details of the above loans are given below:

- (i) Loan amounting to **USD 627,961** (2022: USD 596,413) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 31 August 2024.
- (ii) Loan amounting to **USD 1,204,894** (2022: USD 11,141,797) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 03 January 2025.
- (iii) Loan amounting to **USD 950,317** (2022: USD 899,840) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 27 June 2024.
- (iv) Loan amounting to **USD 807,414** (2022: USD 763,247) which is unsecured, and bears interest at 12 months USD LIBOR plus 1% per annum and is repayable on 05 June 2024.

<u>(b) Key management services</u>	2023 USD	2022 USD
Expenses including directors' fees incurred by the Company	38,164	24,423
	=====	=====
Outstanding balance	5,181	5,256
	=====	=====

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

15. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

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

(a) *Market risk*

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

(i) *Currency risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has assets and liabilities denominated in 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 and liabilities which are denominated in EUR.

Currency profile

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

	2023		2022	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
Financial assets				
EUR	38	-	38	-
USD	34,001	3,603,657	35,742	3,413,453
	=====	=====	=====	=====
	34,039	3,603,657	35,780	3,413,453
	=====	=====	=====	=====

Investment in subsidiaries amounting to USD 47,113,482 (2022: USD 47,113,482), deposit on shares amounting to USD 1 (2022: USD 1), prepayments amounting to USD 1,514 (2022: USD 1,045) and rental deposit amounting to USD nil (2022: USD 627), have been excluded in the above table.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) *Sensitivity analysis*

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

	Increase/(decrease) in Foreign exchange rates	Effect on post tax profit (loss)/ gain		Effect on equity (loss)/ gain	
		2023 USD	2022 USD	2023 USD	2022 USD
Depreciation of EUR	+5%	2	2	2	2
Appreciation of EUR	-5%	(2)	(2)	(2)	(2)

(ii) *Interest rate risk*

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

The Company's interest rate risk arises from interest received on cash and cash equivalents, loans to related parties and interest paid or payable on loans payable. Based on the assumption that the interest rate, post-tax profits and equity would have been USD 17,783 higher or lower (2022: USD 16,828).

(iii) *Price risk*

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

(b) *Credit risk*

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

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

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

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(i) *Currency risk (continued)*

(c) *Liquidity risk*

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

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

	Due within 1 year USD	More than 1 year USD	Total USD
2023			
Loans payable	2,385,692	1,204,894	3,590,586
Accounts payable	13,071	-	13,071
	-----	-----	-----
	2,398,763	1,204,894	3,603,657
	=====	=====	=====
2022			
Loans payable	2,041,637	1,359,660	3,401,297
Accounts payable	12,156	-	12,156
	-----	-----	-----
	2,053,793	1,359,660	3,413,453
	=====	=====	=====

(d) *Fair values*

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

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

The following table analyses within the fair value hierarchy the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value, measured at 31 December 2023 and 2022, is observable:

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (Continued)

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2023				
Financial assets at fair value through OCI	-	-	2,064	2,064
	-	-	2,064	2,064
2022				
Financial assets at fair value through OCI	-	-	2,064	2,064
	-	-	2,064	2,064

(e) Capital management

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

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

(f) Financial instruments by category

	Financial assets at fair value through profit or loss USD	Fair value at amortised cost USD	Total USD
2023			
Cash and cash equivalents	-	34,039	34,039
Total	-	34,039	34,039
	-	34,039	34,039
	Financial assets at fair value through profit or loss USD	Fair value at amortised cost USD	Total USD
2022			
Cash and cash equivalents	-	35,780	35,780
Total	-	35,780	35,780
	-	35,780	35,780

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

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

	Other financial liabilities at amortised cost	
	2023 USD	2022 USD
Financial liabilities		
Loans payable	3,590,586	3,401,297
Accounts payables	13,071	12,156
Total	3,603,657	3,413,453

16. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	01 January USD	Cash changes Financing cash flows USD	31 December USD
2023			
Loan payable	3,401,297	189,289	3,590,586
Accounts payable	12,156	915	13,071
2022			
Loan payable	3,265,755	135,542	3,401,297
Accounts payable	10,821	1,336	12,156

17. PARENT AND ULTIMATE PARENT

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

18. EVENTS AFTER THE REPORTING DATE

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