

**GMR LION ENERGY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**GMR LION ENERGY LIMITED****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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## GMR LION ENERGY LIMITED

## COMPANY INFORMATION

		Date of appointment	Date of resignation
<b>DIRECTORS:</b>	Sharmanand Jhurreea	17 February 2020	15 February 2024
	Fatweena Bibi Ameen Uteene Mahamod	17 February 2020	15 February 2024
	Sandeep Subash	26 April 2022	-
	Virat Kongmaneerat	26 August 2022	-
	Rishikesh Batoosam	15 February 2024	-
	Akash Beesham Ramessur	15 February 2024	-
	Diwan Prakash Kumar (Alternate to Sandeep Subash)	15 April 2024	-
<b>ADMINISTRATOR &amp; SECRETARY:</b>	(As from 15 February 2024) Ocorian Corporate Services (Mauritius) Limited Level 6, Tower A 1 Exchange Square Wall Street, Ebene Mauritius		
<b>PREVIOUS ADMINISTRATOR &amp; SECRETARY:</b>	(Up to 14 February 2024) IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Mauritius		
<b>REGISTERED OFFICE:</b>	(As from 15 February 2024) Level 6, Tower A 1 Exchange Square Wall Street, Ebene Mauritius		
	(Up to 14 February 2024) Edith Cavell Street Port Louis, 11324 Mauritius		
<b>AUDITORS:</b>	RSM (Mauritius) LLP 7 <sup>th</sup> Floor, Carleton Tower Wall Street, Ebene Mauritius		
<b>BANKER:</b>	AfrAsia Bank Limited Bowen Square 10, Dr Ferriere Street Port Louis Mauritius		

## GMR LION ENERGY LIMITED

### COMMENTARY OF THE DIRECTORS

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

#### ACTIVITIES OF THE COMPANY

The Company main activity is to engage in investment holding activities.

#### RESULTS AND DIVIDENDS

The Company's loss for year ended 31 December 2023 was USD 122,978 (2022: loss of USD 15,040).

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

.....  
By order of the board

Secretary

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

Date: 15 April 2024

**SECRETARY'S CERTIFICATE  
TO THE MEMBER OF GMR LION ENERGY LIMITED**

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

We certify, as secretary of 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 the year ended 31 December 2023, all such returns as are required of the Company under the Mauritius Companies Act.

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

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

Date: 15 April 2024





# RSM

RSM (Mauritius) LLP  
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Wall Street  
Ebene

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## Independent Auditor's Report To the Shareholder of GMR Lion Energy Limited

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

### Opinion

We have audited the financial statements of GMR Lion Energy Limited set out on pages 8 to 26, 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 a true and fair view of the financial position of GMR Lion Energy Limited 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.

### Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary 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.

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.

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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



**Independent Auditor's Report  
To the Shareholder of GMR Lion Energy Limited (Continued)**

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

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



**Independent Auditor's Report  
To the Shareholder of GMR Lion Energy Limited (Continued)**

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

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

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

***Report on Other Legal and Regulatory Requirements***

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

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

A handwritten signature in black ink, appearing to be "A. He".

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

A handwritten signature in black ink, appearing to be "Prashant Calcuttea".

**Prashant Calcuttea, FCA  
Licensed by FRC**

**Date:** 15 April 2024



## GMR LION ENERGY LIMITED

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

	Note	2023 USD	2022 USD
<b>INCOME</b>		-	-
<b>EXPENSES</b>			
Accountancy fees		7,550	3,200
Audit fee		6,561	3,455
Professional fees		3,450	3,400
Licence and registration fees		2,225	2,625
Bank charges		1,540	760
Secretarial and administration fees		1,500	1,500
Disbursement		100	100
Directors' fees		1,500	-
Tax fees		1,300	-
Penalty fees		150	-
<b>Total expenses</b>		<b>25,876</b>	<b>15,040</b>
<b>LOSS FROM OPERATIONS</b>		<b>(25,876)</b>	<b>(15,040)</b>
Amount receivable written-off		(109)	-
Impairment of advance towards investment	6	(96,993)	-
<b>LOSS BEFORE INCOME TAX</b>		<b>(122,978)</b>	<b>(15,040)</b>
Income tax expense	10	-	-
<b>LOSS FOR THE YEAR</b>		<b>(122,978)</b>	<b>(15,040)</b>
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(122,978)</b>	<b>(15,040)</b>

The notes on pages 12 to 26 form an integral part of these financial statement.  
Auditor's report is on pages 5 to 7.

**GMR LION ENERGY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 USD	2022 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	5	145,402	145,402
Advance towards investment	6	18,774,446	17,014,439
<b>Total non-current assets</b>		<b>18,919,848</b>	<b>17,159,841</b>
<b>Current assets</b>			
Other receivable and prepayments	7	976	1,085
Cash and cash equivalents	8	2,810	1,294
<b>Total current assets</b>		<b>3,786</b>	<b>2,379</b>
<b>TOTAL ASSETS</b>		<b>18,923,634</b>	<b>17,162,220</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	9	2,942,117	2,942,117
Share application monies	11	18,029,009	16,150,009
Accumulated losses		(2,058,737)	(1,935,759)
<b>Total equity</b>		<b>18,912,389</b>	<b>17,156,367</b>
<b>Liability</b>			
<b>Current liability</b>			
Accruals		11,245	5,853
<b>Total current liability</b>		<b>11,245</b>	<b>5,853</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>18,923,634</b>	<b>17,162,220</b>

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 26 form an integral part of these financial statement.  
Auditor's report is on pages 5 to 7.

## GMR LION ENERGY 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	2,942,117	14,873,009	(1,920,719)	15,894,407
Advance towards equity	-	1,277,000	-	1,277,000
Loss for the year	-	-	(15,040)	(15,040)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(15,040)	(15,040)
At 31 December 2022	2,942,117	16,150,009	(1,935,759)	17,156,367
Advance towards equity	-	1,879,000	-	1,879,000
Loss for the year	-	-	(122,978)	(122,978)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(122,978)	(122,978)
At 31 December 2023	2,942,117	18,029,009	(2,058,737)	18,912,389

The notes on pages 12 to 26 form an integral part of these financial statement.  
Auditor's report is on pages 5 to 7.

## GMR LION ENERGY LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 USD	2022 USD
<b>Cash flows from operating activities</b>			
Loss before income tax		(122,978)	(15,040)
<i>Adjustments for:</i>			
Amount receivable written-off		109	-
Impairment of advance towards investment	6	96,993	-
<i>Changes in working capital:</i>			
Change in accruals		5,392	(4,200)
<b>Net cash used in operating activities</b>		(20,484)	(19,240)
<b>Cash flows from investing activities</b>			
Advance towards investment	6	(1,857,000)	(1,258,000)
<b>Net cash used in investing activities</b>		(1,857,000)	(1,258,000)
<b>Cash flow from financing activity</b>			
Share application monies	11	1,879,000	1,277,000
<b>Net cash from financing activity</b>		1,879,000	1,277,000
<b>Net movement in cash and cash equivalents</b>		1,516	(240)
Cash and cash equivalents at start of the year		1,294	1,534
<b>Cash and cash equivalents at end of the year</b>		2,810	1,294

The notes on pages 12 to 26 form an integral part of these financial statement.  
Auditor's report is on pages 5 to 7.



## GMR LION ENERGY LIMITED

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

#### 1. GENERAL INFORMATION

GMR Lion Energy Limited is a private limited company, incorporated in Mauritius on 29 February 2008. 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 Company principal activity 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. These policies have been consistently applied for all the years presented, unless otherwise stated.

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

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost and are denominated in United States Dollar ("USD").

The Company is a holder of a Global Business Licence and has a subsidiary. The Company has elected, in accordance with the Fourteenth Schedule of the Mauritius Companies Act 2001, Section 12, not to prepare group financial statements in accordance with Section 211 of the Mauritius Companies Act 2001 "Contents and form of financial statements".

The basis of preparation of these financial statements complies with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"). Instead of presenting consolidated financial statements of the Group, the Company only presents separate financial statements as would have been required under IAS 27 - Separate Financial Statements, had the Company complied with IFRS.

#### 2.1 Changes in accounting policies and disclosures

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

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.

<b>New accounting standards, amendments and interpretations</b>	<b>Effective date</b>
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

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 2.2 Summary of material accounting policies

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

*IFRS 17 Insurance Contracts*

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

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

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

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

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

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

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

*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.



## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 2.2 Summary of material accounting policies (continued)

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

*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.

*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.

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

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

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

**GMR LION ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.2 Summary of material accounting policies (continued)****Foreign currency translation***(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in 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 as the investments are made in USD and the performance of the company is evaluated in USD.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 profit or loss. Such balances are translated at year end exchange rates.

**Current and deferred income tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the countries where the company's subsidiaries and associates operate and generate 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, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date 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 are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

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



## GMR LION ENERGY LIMITED

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

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#### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### 2.2 Summary of material accounting policies (continued)

###### **Investments in subsidiary**

Subsidiaries are those entities (including special purpose entities) over which the Company has control. The Company controls an entity when it is exposed to or the rights to variables returns from its involvement with the entity and has the ability to affect those returns through its power over 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 profit or loss. The disposal of the investment, that is, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

###### **Consolidated financial statements**

The financial statements contain information about GMR Lion Energy Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company owns 73% of the issued share capital of GMR Upper Karnali Hydropower Limited. The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually 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.

###### **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*

###### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, 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.

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 2.2 Summary of material accounting policies (continued)

## Financial instruments (continued)

*Financial assets (continued)**Initial recognition and 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Company's financial assets include cash and cash equivalents and other receivable.

*Financial assets at amortised cost*

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents and other receivable.



## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 2.2 Summary of material accounting policies (continued)

## Financial instruments (continued)

*Financial assets (continued)**Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised 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.

*Impairment of financial assets*

The Company holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to all its receivables.

The Company's approach to ECL reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

*Financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company's financial liability consist of accruals.

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)****2.2 Summary of material accounting policies (continued)****Financial instruments (continued)***Financial liabilities (continued)**Payables*

Payables are stated at their nominal value.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**Stated capital**

Ordinary shares are classified as equity.

**Related parties**

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

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

**Expenses recognition**

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



## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

## 2.2 Summary of material accounting policies (continued)

*Share application monies*

Share application monies relate to capital contribution received from the shareholder, being either cash or non-monetary assets, which are non-reciprocal (i.e. no financial or non-financial obligation exists). Share application monies are classified as equity.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements require directors to make judgments, estimates, and assumptions that affect the reported amount of expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment of the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgment which has the most significant effect on the amounts recognised in the financial statements:

*Going concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

*Determination of functional currency*

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in note 2.1 (a), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

*Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations, and over the recognition of deferred taxes. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. No deferred tax is recognized in the financial statements.

**GMR LION ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)***Estimates and assumptions*

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Impairment of subsidiary*

The investee company is engaged in the development of a 900 MW Karnali Hydropower project in Nepal for sale of power to buyers in Bangladesh, India and Nepal. The power generated by the project would be exported through a cross border transmission system. The project calculations use cash flow projections based on the business plan of the Karnali Hydropower project in Nepal. Cash flows are based on the duration of the projects and also on potential buyers or potential strategic investors to invest in the project.

As at 31 December 2023, the equity value of GMR Upper Karnali Hydropower Limited (GUKHL) in the valuation report is INR 2,159.8 million considering a discount rate of 19.5%. Following an impairment assessment taking into consideration the share application monies of the Company held in GUKHL, the carrying value of the investment is less than its recoverable amount.

The Company provided an impairment against advance towards investment amounting to **USD 96,993** (2022: USD Nil) in GUKHL based on recoverability. The conclusion is based on the valuation report as at 31 December 2023.

**4. FINANCIAL RISK MANAGEMENT**

In its ordinary operations, the Company is exposed to various financial risks. Details of those are risks set out below:

*Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), concentration risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.



## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

*Financial risk factors (continued)**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.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk as it has no interest bearing financial assets and liabilities.

*Foreign currency risk*

Foreign currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. The Company has no significant exposure to foreign exchange risk as it does not have any financial assets or liabilities which are denominated in a currency other than the USD, the Company's functional currency.

*Concentration risk*

The Company holds investment in Nepal, which involves certain consideration and risks not typically associated with investment in other more developed countries. Future economic and political development in Nepal could affect the operation of the investee Company.

*Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial assets which potentially subject the Company to concentrations of credit risk consist principally of bank balances. Cash and cash equivalents are held in reputable financial institutions. Accordingly, the Company has no significant concentration of credit risk. The maximum exposure to credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2023	2022
	USD	USD
Other receivable	-	109
Cash and cash equivalents	2,810	1,294
	-----	-----
	2,810	1,403
	=====	=====

The financial assets are neither past due nor impaired at the reporting date. The cash and cash equivalents are maintained with reputable bank.

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Liquidity is the risk that the Company will not be able to meet its financial obligation as they fall due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of related party loans. However liquidity risk, if any, is managed through the financial support of the shareholder.

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

	Less than one year	
	2023 USD	2022 USD
Accruals	11,245	5,853
	<u>11,245</u>	<u>5,853</u>

*Fair Values*

The carrying amounts of cash and cash equivalents and other payables approximate their fair values.

## 5. INVESTMENT IN SUBSIDIARY

Name of investee company	Country of incorporation	Types of shares held	% Holding 2023 & 2022	Number of shares 2023 & 2022	Carrying amount	
					2023 USD	2022 USD
GMR Upper Karnali Hydropower Limited ('GUKHL')	Nepal	Ordinary	73%	1,095,000	<u>145,402</u>	<u>145,402</u>

The investee company is engaged in the development of a 900 MW Upper Karnali Hydropower project in Nepal for sale of power to buyers in Bangladesh, India and Nepal. The power generated by the project would be exported through a cross border transmission system. In this regard, an MoU has been signed with Bangladesh Power Development Board ('BPDB'), Govt. of Bangladesh on in April 2018 for a minimum of 500 MW power. Negotiations and discussions for signing of the Power Purchase Agreements ('PPA') are in very advanced stage and expected to be concluded soon. Additionally, some of the Indian states have also shown strong interest in procuring power from the project. Further, a Deed of Agreement for taking possession of the Forest Land admeasuring 252 Ha has been executed. The acquisition of private land is also progressing well. As at 31 December 2023, the equity value of GUKHL in the valuation report is INR 2,159.8 million considering a discount rate of 19.5%. Following an impairment assessment taking into consideration the share application monies of the Company held in GUKHL, the carrying value of the investment is less than its recoverable amount.



## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 6. ADVANCE TOWARDS INVESTMENT

GMR Upper Karnali Hydropower Limited	2023 USD	2022 USD
At start of the year	17,014,439	15,756,439
Advance during the year	1,857,000	1,258,000
Impaired during the year	(96,993)	-
At end of the year	<u>18,774,446</u>	<u>17,014,439</u>

Advance towards investment represent advances made to the Company's subsidiary GMR Upper Karnali Hydropower Limited, pending allotment of shares. The Company provided an impairment against advance towards investment amounting to **USD 96,993** (2022: USD Nil) in GUKHL based on recoverability. The conclusion is based on the valuation report as at 31 December 2023.

## 7. OTHER RECEIVABLE AND PREPAYMENTS

	2023 USD	2022 USD
Prepayments	976	976
Other receivable	-	109
	<u>976</u>	<u>1,085</u>

## 8. CASH AND CASH EQUIVALENTS

	2023 USD	2022 USD
<i>Cash at bank</i>		
Current accounts	<u>2,810</u>	<u>1,294</u>

## 9. STATED CAPITAL

	Number of shares		2023 USD	2022 USD
	2023	2022		
<i>Issued and fully paid up</i>				
At start and end the of year	<u>2,942,117</u>	<u>2,942,117</u>	<u>2,942,117</u>	<u>2,942,117</u>

The par value of each ordinary share is USD 1.

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

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

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 10. 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 81,385** (2022: USD 87,654) and is therefore was not liable to income tax. The loss of **USD 32,104** carried forward up to 31 December 2023 (2022: USD 162,207) has been lapsed.

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

Up to the years ending:

	USD
31 December 2024	15,780
31 December 2025	11,120
31 December 2026	13,610
31 December 2027	15,040
31 December 2028	25,835
	-----
	81,385
	=====

A reconciliation between the accounting loss and the actual tax charge is presented below:

	2023	2022
	USD	USD
Loss before tax	(122,978)	(15,040)
	-----	-----
Applicable income tax at the rate of 15%	(18,447)	(2,256)
Impact of:		
Expenses not deductible for tax purposes	14,571	-
Deferred tax asset	3,876	2,256
	-----	-----
Income tax charge	-	-
	=====	=====

*Deferred income tax*

A deferred income tax asset of **USD 12,208** (2022: USD 13,148) 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.

## GMR LION ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 11. SHARE APPLICATION MONIES

GMR Energy (Mauritius) Limited	2023 USD	2022 USD
At start of the year	16,150,009	14,873,009
Advance towards equity during the year	1,879,000	1,277,000
At end of the year	18,029,009	16,150,009

This represents funds received from the parent, GMR Energy (Mauritius) Limited, pending allotment of shares.

## 12. RELATED PARTY TRANSACTIONS

<i>Key Management services</i>	2023 USD	2022 USD
Ocorian Corporate Services Limited -Administrator		
Expenses including directors' fees incurred by the Company	4,550	-
Outstanding balance	4,550	-
IQ EQ Corporate Services (Mauritius) Ltd -Previous administrator		
Expenses including directors' fees incurred by the Company	14,150	8,200
Outstanding balance	600	-
Receivable from IQ EQ	-	109

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

## 13. PARENT AND ULTIMATE PARENT COMPANIES

GMR Energy (Mauritius) Limited, a company registered in Mauritius is regarded as the parent. GMR Power and Urban Infra Limited, a company incorporated in India is regarded as the ultimate parent.

## 14. 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.