

**MTL DE PANAMA, S.A**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2023**

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**MTL DE PANAMA, S.A**  
**DIRECTORS' COMMENTARY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their commentary, together with the audited financial statements of **MTL De Panama, S.A** (the 'Company') for the year ended 31 March 2023.

**PRINCIPAL ACTIVITY**

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

**RESULTS AND DIVIDENDS**

The results for the year are shown on page 5.

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

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standards (IFRS).

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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.

**DIRECTORS**

The following directors held office as at 31 March 2023.

Mr Pramod Menon  
Mr Denis Sek Sum  
Mr Anindya Bagchi

Mr Parag Chaturvedi resigned as the Company's director on 20 July 2022.

**BY ORDER OF THE BOARD**



**DIRECTOR**

Date: 11 May 2023

**QAIYOOM DUSTAGHEER FCCA, MIPA(M)**  
**3, MAHARATA STREET, PORT LOUIS, REPUBLIC OF MAURITIUS**  
TEL: (230) 5752 6345  
EMAIL: dustagheerqaiyoom@gmail.com

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**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDER OF MTL DE PANAMA, S.A****Opinion**

I have audited the financial statements of **MTL De Panama, S.A** (the "Company"), which comprise the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 21.

In my opinion, these financial statements give a true and fair view of the financial position of **MTL De Panama, S.A** as at 31 March 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

**Basis for opinion**

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

**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' commentary. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

**Directors' Responsibilities for the Financial Statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) 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.

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

My 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 my 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.

**QAIYOOM DUSTAGHEER FCCA, MIPA(M)**

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE SHAREHOLDER OF MTL DE PANAMA, S.A****Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

**Other Matter**

This report is made solely to the Company's shareholder. My audit work has been undertaken so that I might state to the Company's shareholder those matters that I am required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for my audit work, for this report, or for the opinions I have formed.



**Qaiyoom Dustagheer FCCA, MIPA (M)**  
**Licensed by the FRC**

Date: 11 May 2023

**MTL DE PANAMA, S.A**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 USD	2022 USD
<b>Revenue</b>		-	-
<b>Expenses</b>			
Accounting fees		100	4,500
Legal and professional fees		2,522	3,627
Audit fees		5,600	5,600
Interest on loan		11,929	15,272
Bank charges		1,366	80
		<u>21,517</u>	<u>29,079</u>
<b>Operating loss</b>		<b>(21,517)</b>	<b>(29,079)</b>
Share of profit in associate	8	34,777	225,562
Other payables written off		1,073,848	-
Investment written off on liquidation		(375,630)	-
<b>Profit before taxation</b>		<u>711,478</u>	<u>196,483</u>
Taxation	6	-	-
<b>Profit for the year</b>		<u>711,478</u>	<u>196,483</u>
<b>Other comprehensive income for the year, net of taxation</b>		-	-
<b>Total comprehensive income for the year, net of taxation</b>		<u>711,478</u>	<u>196,483</u>

The notes on pages 9 to 21 form an integral part of these financial statements.  
Independent auditor's report is on pages 3 to 4.

**MTL DE PANAMA, S.A**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	Notes	2023 USD	2022 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	7	2,122,014	2,122,014
Investment in associate	8	3,975,325	3,940,548
		<u>6,097,339</u>	<u>6,062,562</u>
<b>Current assets</b>			
Assets held for distribution to owners	9	-	582,513
Cash and cash equivalents	10	27,106	19,608
		<u>27,106</u>	<u>602,121</u>
<b>Total assets</b>		<u>6,124,445</u>	<u>6,664,683</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	11	3,066,732	3,066,732
Accumulated reserve		2,868,556	2,157,078
<b>Total equity</b>		<u>5,935,288</u>	<u>5,223,810</u>
<b>Current liabilities</b>			
Borrowings	12	175,000	325,000
Other payable	13	14,157	1,115,873
		<u>189,157</u>	<u>1,440,873</u>
<b>Total equity and liabilities</b>		<u>6,124,445</u>	<u>6,664,683</u>

Approved by the Board of Directors on 11 May 2023 and signed on its behalf by:

  
 \_\_\_\_\_  
 DIRECTOR

  
 \_\_\_\_\_  
 DIRECTOR

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**MTL DE PANAMA, S.A**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Share capital USD</b>	<b>Accumulated reserves USD</b>	<b>Total equity USD</b>
At 01 April 2021	3,066,732	1,960,595	<b>5,027,327</b>
Profit for the year	-	196,483	<b>196,483</b>
At 31 March 2022	3,066,732	2,157,078	<b>5,223,810</b>
Profit for the year	-	711,478	<b>711,478</b>
<b>At 31 March 2023</b>	<b><u>3,066,732</u></b>	<b><u>2,868,556</u></b>	<b><u>5,935,288</u></b>

The notes on pages 9 to 21 form an integral part of these financial statements.  
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**MTL DE PANAMA, S.A**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	2023 USD	2022 USD
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	711,478	196,483
Adjustments to reconcile profit before tax to net cash flows		
<u>Adjustments:</u>		
Share of profit in associate	(34,777)	(225,562)
Investment written off	375,630	-
Other payables written off	(1,073,848)	-
<u>Working capital adjustments:</u>		
(Decrease) / increase in other payables	(27,868)	28,711
<b>Net cash flows used in operating activities</b>	<u>(49,385)</u>	<u>(368)</u>
<b>INVESTING ACTIVITY</b>		
Proceeds from liquidation of investee	206,883	-
<b>Net cash flows generated from investing activity</b>	<u>206,883</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	175,000	-
Repayment of borrowings	(325,000)	-
<b>Net cash flows used in financing activities</b>	<u>(150,000)</u>	<u>-</u>
<b>Net movement in cash and cash equivalents</b>	7,498	(368)
Cash and cash equivalents at beginning of year	19,608	19,976
<b>Cash and cash equivalents at end of year (Note 10)</b>	<u>27,106</u>	<u>19,608</u>

The notes on pages 9 to 21 form an integral part of these financial statements.  
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**MTL DE PANAMA, S.A**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. LEGAL FORM AND PRINCIPAL ACTIVITY**

The Company was incorporated in Panama on the 25<sup>th</sup> July 1991. The corporate term is perpetual and it can be dissolved in accordance with the local law. The Company's registered office is Avenida Federico Boyd, Calle 18 y51, Edificio Scotia Plaza, Piso 11, Ciudad de Panama, Republic of Panama.

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

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 11 May 2023.

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

**(b) Basis of accounting**

The financial statements of the Company have been prepared under the historical cost convention, and are denominated in United States Dollars (USD). The preparation of the financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(c) Foreign currencies**

**(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 it operates (the "functional currency"). The financial statements of the Company are expressed in United States dollars ("USD").

Management determines the functional currency of the Company to be USD. In making this judgement, management evaluates, among other factors, the regulatory and competitive environments and the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

**(ii) Transactions and balances**

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of 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.

**(d) New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 March 2022, except for the adoption of new standards effective as of 1 April 2022. The Company has not early adopted any standard, interpretation or amendment that has been issued which is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the financial statements of the Company.

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

**MTL DE PANAMA, S.A**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **I. Financial instruments**

##### **a) Financial assets**

##### **i. Initial recognition and measurement**

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

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.

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.

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.

##### **ii. Subsequent measurement**

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all the relevant information about how the business is managed, including:

- The documented strategy and the execution of this strategy in practice. This includes matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through sale of the assets.
- How the performance is evaluated and reported to the Company's management, the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has one business model:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flows.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Financial instruments (Continued)

##### a) Financial assets (Continued)

###### *Business model assessment (Continued)*

Assessment of whether contractual cash flows are SPPI.

For the purpose of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for the other basic lending risks and costs (e.g liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Company's claim to cash flows from specified assets (e.g non-recourse features); and
- Features that modify consideration of the time value of money (e.g periodical reset of interest rates)

##### iii. Financial assets at amortised cost

This category is the most relevant to the Company. 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 the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include cash and cash equivalents.

##### iv. Derecognition

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

**MTL DE PANAMA, S.A**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Financial instruments (Continued)**

a) Financial assets (Continued)

iv. Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough 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.

b) Financial liabilities

i. Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of other payables and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables and borrowings.

ii. Subsequent measurement

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

After initial recognition, interest-bearing loans and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income 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 and other comprehensive income. This category generally applies to interest-bearing loans and other payables.

iii. Other payables

Other payables are subsequently measured at amortised cost using the effective interest method.

iv. 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 and other comprehensive income.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **I. Financial Instruments (Continued)**

##### **c) Impairment**

###### Non-derivative financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **II. Investment in subsidiary**

A subsidiary is an entity in which the Company has control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company controls an investee if, and only if it has the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, any resulting gain or loss is recognised in the statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

**MTL DE PANAMA, S.A**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**III. Investment in associate**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The investment in associate has been accounted for under the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate and in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

**IV. Assets held for distribution to owners**

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to distribute. Impairment losses on initial classification as held for distribution and subsequent gains or losses on remeasurement are recognised in the statement of profit or loss and other comprehensive income.

Tubopack de Colombia S.A.S had lodged its request for liquidation to the Colombian authorities on 25 November 2019. The liquidation process has been completed on 30 June 2022.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**V. 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**VI. Impairment for equity-accounted investees**

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the statement of profit or loss and other comprehensive income, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

**VII. Equity**

Share capital is determined using the nominal values of shares that have been issued.

Accumulated reserves include all current and prior results as disclosed in the statement of profit or loss and other comprehensive income.

**VIII. Expenses recognition**

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

**IX. 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.

**X. Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year as a result of changes in accounting policy and disclosures.

**4. NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED**

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

<b>Standards</b>	<b>Interpretations</b>	<b>Date issued by IASB</b>	<b>Effective date periods beginning on or after</b>
IFRS 17 Insurance Contracts	Amendment to Insurance liabilities to be measured at a current fulfillment value.	18 May 2017	01 January 2023
IAS 1 Presentation of Financial Statements	Amendment to Classification of Liabilities as Current or Non-Current.	23 January 2020	01 January 2024
<b><u>Annual Improvement to IFRS 2018-2020</u></b>			
IFRS 17 Insurance Contracts	Amendments to recognition of insurance acquisition cash flows relating to expected contract renewals.	25 June 2020	01 January 2023
IFRS 4 Insurance contracts	Amendment to extension of the Temporary Exemption from Applying IFRS 9.	25 June 2020	01 January 2023
<b><u>Annual Improvement to IFRS 2021</u></b>			
IAS1 and IFRS Practice statement 2 - Disclosure	Amendment that an entity to disclose material accounting policies instead of significant accounting policies.	12 February 2021	01 January 2023
IAS 8 Estimates definition	Amendments clarify that a change in accounting estimate from new information or new development is not the correction of an error.	12 February 2021	01 January 2023



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**4. NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED (CONTINUED)**

<b>Standards</b>	<b>Interpretations</b>	<b>Date issued by IASB</b>	<b>Effective date periods beginning on or after</b>
<b><u>Annual Improvement to IFRS 2021 (Continued)</u></b>			
IAS 12 Deferred tax	Clarification that exemption does not apply if deductible and taxable differences are equal on initial recognition.	07 May 2021	01 January 2023
<b><u>Annual Improvement to IFRS 2022</u></b>			
IFRS 16 Lease liability in a Sale and Lease Back	Clarification how a seller-lessee subsequently measures sale and leaseback transactions that satisfies the requirements in IFRS 15 to be accounted for as a sale.	22 September 2022	01 January 2024
IAS 1 Non-current liabilities	Clarification on how conditions with which an entity must comply within 12 months after the reporting period that affect the classification of a liability.	31 October 2022	01 January 2024

The directors anticipate that the adoption of these standards on the above effective dates in future periods will have no material impact on the financial statements of the Company.

**5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

**Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**6. TAXATION**

According to the Panama's income tax law, the Company's income is not taxable for income tax purposes, due to the fact that its income is received from different foreign subsidiaries.

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**7. INVESTMENT IN SUBSIDIARY**

	2023 USD	2022 USD
<u>Unquoted</u>		
Cost at beginning and end of year	<u>2,122,014</u>	<u>2,122,014</u>

The details of the investment in subsidiaries are as follows:

Name of company	Number of shares	Nominal value	% Held		Country of incorporation	Cost
			2023	2022		2022 USD
Laminate Packaging Colombia S.A.S	1,352,814	COP 1,000	93.12%	93.12%	Colombia	<u>2,122,014</u>

Laminate Packaging Colombia S.A.S (Formerly known as Essel Colombia S.A.S) is incorporated under prevailing regulation of Colombia established in Free Zone (FTZ) which is engaged in production of laminated packing tubes and other production processes directly related to these activities.

The directors have reviewed the financial position of Laminate Packaging Colombia S.A.S and are of the opinion that the estimated recoverable amount of the investment is not less than its carrying value.

**Consolidated Financial Statements**

The Company has a subsidiary as disclosed in this note. The Company has taken advantage of the International Financial Reporting Standards 10, Separate Financial Statements, which dispenses it from the need to present consolidated financial statements, as its ultimate holding company, EPL Ltd (Formerly known as Essel Propack Limited), presents consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The registered office of Essel Propack Limited is P.O. Vasind, Taluka Shahapur, Dist Thane, Maharashtra 421 604, India.

**8. INVESTMENT IN ASSOCIATE**

	2023 USD	2022 USD
Balance at start of year	3,940,548	3,714,986
Share of profit in associate during the year	34,777	225,562
Balance at end of year	<u>3,975,325</u>	<u>3,940,548</u>

Name of company	Number of "Serie B" equity shares		Nominal value	% Held		Country of incorporation	2023
	2023	2022		2023	2022		USD
EPL Propack De Mexico S.A de C.V (Formerly known as Essel de Mexico S.A de C.V)	37,175	37,175	MXN 1,000	33%	33%	Mexico	<u>3,975,325</u>

The Company has 49 Class B shares which corresponds to the minimum fixed capital, while it has 37,126 Class B shares which corresponds to the variable capital.

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**9. ASSET HELD FOR DISTRIBUTION TO OWNERS**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Balance at beginning of year	<b>582,513</b>	582,513
Liquidation proceeds received	<b>(206,883)</b>	-
Investment written off during the year	<b>(375,630)</b>	-
Balance at end of year	<u>-</u>	<u>582,513</u>

The details of the investment is as follows:

Name of company	Number of shares	Nominal value	% Held		Country of incorporation	Cost
			2023	2022		2023 USD
Tubopack de Colombia S.A.S	416,000	COP 1,000	Nil	99.76%	Colombia	<u>Nil</u>

**10. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	<u>27,106</u>	<u>19,608</u>

The Company holds a USD account with ICICI Bank Limited.

**11. SHARE CAPITAL**

The share capital of the Company consists of 2 ordinary shares of no par value paid for a consideration of USD 3,066,732.

**12. BORROWINGS**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
<b>Current</b>		
Loan from related party (Note 15)	<u>175,000</u>	<u>325,000</u>

Loan of USD 225,000 and USD 100,000 payable to Lamitube technologies Ltd were repaid on 20 July 2022.

Loan of USD 175,000 from Lamitube technologies Ltd is unsecured and is repayable on 08 July 2023. The loan beared interest at:

- (i) 4% per annum from July 2022 to September 2022
- (ii) 6.25% per annum from October 2022 to December 2022
- (iii) 6.75% per annum from January 2023 onwards

**13. OTHER PAYABLES**

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
Other payables from related entities (Note 15)	<b>8,121</b>	1,104,182
Accrued expenses	<b>6,036</b>	11,691
	<u>14,157</u>	<u>1,115,873</u>

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**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

A description of the significant risk factors is given below together with the risk management policies applicable. 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. In its ordinary operations, the Company is exposed to various risks such as market risks, credit risks and liquidity risks.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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

The Company has interest-bearing liabilities which are at fixed interest rates and is therefore not exposed to the risks associated with the effects of fluctuations in interest rates.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Given that all the financial assets and financial liabilities are denominated in the United States Dollar ("USD"), the Company is not exposed to foreign exchange risk.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

*Cash and cash equivalents*

The Company's cash and cash equivalents of USD 27,106 (2022: USD 19,608) represents its maximum credit exposure on these assets. The cash held with bank are highly rated.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the ageing analysis of the Company's financial liabilities.

	<b>Less than 1 year 2023 USD</b>	<b>Over 1 year 2023 USD</b>	<b>Total 2023 USD</b>
<b>Liabilities</b>			
Borrowings (Note 12)	175,000	-	175,000
Other payables (Note 13)	14,157	-	14,157
<b>Total liabilities</b>	<u>189,157</u>	<u>-</u>	<u>189,157</u>

**Currency profile**

All the financial assets and liabilities of the Company are denominated in USD.

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**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Fair values**

The carrying amount of cash and cash equivalents, other payables and borrowings approximate to their fair values.

For financial assets and liabilities not measured at fair value, their carrying amount approximate their fair value. Accordingly, no fair value hierarchy table has been disclosed.

Accounting classifications and fair values

The table below provides the reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total carrying amount USD
<b>31 March 2023</b>			
Cash and cash equivalents	27,106	-	27,106
	<u>27,106</u>	<u>-</u>	<u>27,106</u>
Other payables	-	14,157	14,157
Borrowings	-	175,000	175,000
	<u>-</u>	<u>189,157</u>	<u>189,157</u>
<b>31 March 2022</b>			
Cash and cash equivalents	19,608	-	19,608
	<u>19,608</u>	<u>-</u>	<u>19,608</u>
Other payables	-	1,115,873	1,115,873
Borrowings	-	325,000	325,000
	<u>-</u>	<u>1,440,873</u>	<u>1,440,873</u>

**Capital risk management**

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is financed by equity.

**Concentration risk**

As at 31 March 2023, the Company held investments in Colombia and Mexico which involves certain considerations and risks. Future economic and political developments in those countries could affect the operations of the investee companies.

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**15. RELATED PARTIES TRANSACTIONS**

The following transactions were carried out with related parties on normal commercial terms and conditions and at market prices:

<b>Name of companies</b>	<b>Type of relationships</b>	<b>Nature of transactions</b>	<b>Credit balance as at 01 April 2022 USD</b>	<b>Volume of transactions during the year ended 31 March 2023 USD</b>	<b>Credit balance as at 31 March 2023 USD</b>
<b><u>Borrowings (Note 12)</u></b>					
Lamitube Technologies Ltd	Holding company	Loan payable	325,000	(150,000)	<b>175,000</b>
<b><u>Other payables (Note 13)</u></b>					
Lamitube Technologies Ltd	Holding company	Trade payable	10,000	(10,000)	-
Lamitube Technologies Ltd	Holding company	Interest on loan payable	20,334	(12,213)	<b>8,121</b>
Tubopack De Colombia S.A	Subsidiary	Other payable	1,073,848	(1,073,848)	-
			<b>1,104,182</b>	<b>(1,096,061)</b>	<b>8,121</b>

**16. HOLDING COMPANY**

The directors consider Lamitube Technologies Ltd, a company registered in the Republic of Mauritius as the holding company. The ultimate holding company is EPL Ltd (Formerly known as Essel Propack Limited), a company registered in India.

**17. EVENTS AFTER THE REPORTING DATE**

There has been no post material reporting events which would require disclosure or adjustment to the 31 March 2023 financial statements.