

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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BLOOM FOUNTAIN LIMITED**CORPORATE INFORMATION**

		Date of appointment	Date of resignation
DIRECTORS:	Mr. Sevin Chendriah	28 Jun 2021	-
	Ms Bhavana Banymandhub	28 Jun 2021	-
ADMINISTRATOR & SECRETARY:	IQ EQ Corporate Services Mauritius Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
REGISTERED OFFICE:	C/o IQ EQ Corporate Services Mauritius Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
AUDITOR:	Baker Tilly Level 4, Building A5 15, Wall street Ebène Mauritius		
BANKER:	Standard Chartered Bank (Mauritius) Limited Units 6A & 6B 6 th Floor, Standard Chartered Tower Lot 19, Cybercity Ebène Mauritius		

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Bloom Fountain Limited (the "Company") for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activities of the Company are investment holding and to provide consultancy services.

RESULTS AND DIVIDEND

The Company's loss for the year ended 31 March 2023 is **USD 31,944,182** (excluding exceptional items) (2022: USD 31,943,964).

The directors did not recommend any payment of dividend for the year ended 31 March 2023 (2022: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are required to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity 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 in the foreseeable future.

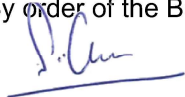
The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. 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.

AUDITOR

The auditor, Baker Tilly, has been appointed during the year and has indicated its willingness to continue in office and will be decided in the next annual meeting.

By order of the Board



Director: Sevin Chendriah

Date: 02 May 2023

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
CERTIFICATE FROM THE SECRETARY

TO THE MEMBER OF Bloom Fountain Limited
(SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001)

We certify, as secretary of Bloom Fountain Limited ("the Company"), that based on records and information made available to us by the directors and sole shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2023, all such returns as required of the Company under the Mauritius Companies Act 2001.

A handwritten signature in blue ink, appearing to read 'A. P. See', with a large, stylized flourish above the name.

For IQ EQ Corporate services (Mauritius) Ltd
Company Secretary

Date: 02 May 2023

INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Bloom Fountain Limited

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bloom Fountain Limited (the "Company"), which comprise the statement of financial position as at 31 March 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 accompanying financial statements on pages 8 to 29 give a true and fair view of the financial position of the Company as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Accountants' *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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of 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 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.

Emphasis of Matter on Going Concern

We draw attention to Note 18 in the financial statements concerning the Company's ability to continue as going concern. These financial statements have been prepared on a going concern basis. The validity of this assumption depends on the continued support of the shareholder to enable the Company to meet its liabilities as and when they fall due to carry out their business without any curtailment in its operations. These financial statements do not include any adjustments that would result from non-availability of finance.

Our opinion is not modified in this respect.



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Bloom Fountain Limited

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Other Matter

We draw attention on the fact that we were appointed as auditor for the first time for the year ended 31 March 2023 on 9 November 2022. The financial statements for the year ended 31 March 2022 were audited by another auditor, who expressed an unqualified opinion on those financial statements on 21 July 2022.

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.

This opinion has been prepared for and only for the Company's shareholder and for no other purposes.

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

We communicate with those charged with governance 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.



INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Bloom Fountain Limited

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Other information

The directors are responsible for the other information. The other information comprises the corporate information, commentary of the directors and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express 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.

We have nothing to report in this regard.

Baker Tilly

Date: 02 May 2023

Sin C. LI, CPA, CGMA

Licensed by FRC

BLOOM FOUNTAIN LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2023

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		<u>USD</u>	<u>USD</u>
ASSETS			
Non-current assets			
Investment in subsidiary	5	-	-
Loan to related party	6	<u>103,692,000</u>	-
Total non-current assets		<u>103,692,000</u>	-
Current assets			
Other receivables	7	<u>478,864</u>	-
Cash and cash equivalents	15	<u>38,877</u>	18,380
Total current assets		<u>517,741</u>	18,380
Total assets		<u>104,209,741</u>	<u>18,380</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	8	<u>2,201,000,001</u>	2,201,000,001
Accumulated losses		<u>(274,496,076)</u>	(346,722,761)
Other equity reserve		<u>(3,169,797,224)</u>	(3,169,797,224)
Shareholder's deficit		<u>(1,243,293,299)</u>	<u>(1,315,519,984)</u>
Non-current liabilities			
Borrowings	9	<u>901,480,000</u>	901,430,000
Total non-current liabilities		<u>901,480,000</u>	<u>901,430,000</u>
Current liabilities			
Borrowings	9	<u>3,536,419</u>	3,536,419
Optionally Convertible Redeemable Preference Shares	10	<u>222,040,000</u>	222,040,000
Other payables	11	<u>220,446,621</u>	188,531,945
Total current liabilities		<u>446,023,040</u>	414,108,364
Total liabilities		<u>1,347,503,040</u>	<u>1,315,538,364</u>
Total equity and liabilities		<u>104,209,741</u>	<u>18,380</u>

These financial statements have been approved by the Board of Directors and authorised for issue on: 02 May 2023



 Director



 Director

The notes on pages 12 to 29 form an integral part of these financial statements.
 Independent auditor's report on pages 5 to 7.

BLOOM FOUNTAIN LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	<u>Notes</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
INCOME			
Liabilities written back		-	-
EXPENSES			
Audit fees		(8,000)	(22,000)
Professional fees		<u>(15,108)</u>	<u>(25,645)</u>
		(23,108)	(47,645)
Net finance cost	12	(31,921,074)	(31,896,319)
Exceptional items	6, 7	104,170,867	-
Profit/(loss)before taxation		<u>72,226,685</u>	<u>(31,943,964)</u>
Income tax expense	13	-	-
Profit/(loss) for the year		<u>72,226,685</u>	<u>(31,943,964)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>72,226,685</u>	<u>(31,943,964)</u>

The notes on pages 12 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 5 to 7.

BLOOM FOUNTAIN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Issued Capital	Accumulated Losses	Other equity Reserve (Note 1)	Total
	USD	USD	USD	USD
At 1 April 2021	2,201,000,001	(314,778,797)	(3,169,797,224)	(1,283,576,020)
Loss for the year and total comprehensive loss	-	(31,943,964)	-	(31,943,964)
At 31 March 2022	2,201,000,001	(346,722,761)	(3,169,797,224)	(1,315,519,984)
Income for the year and total comprehensive income	-	72,226,685	-	72,226,685
At 31 March 2023	2,201,000,001	(274,496,076)	(3,169,797,224)	(1,243,293,299)

Note 1

In the FY 2017-18, the Company entered into different transactions involving Twin Star Mauritius Holdings Ltd (TSMHL), an indirect subsidiary of the Company which are summarized below :

- TSMHL assigned to the Company its loan payable to group company, Fujairah Gold FZC of USD 900,000,000 along with accrued interest payable of USD 69,797,222. As a consideration of this assignment to the Company, TSMHL owed an equivalent amount including interest to the Company.
- The Company also bought receivables along with accrued interest of USD 438,067,379 and USD 290,415,068 of group companies, THL Zinc Holding BV and Monte Cello BV respectively from TSMHL, at \$1 each.
- The Company had subscribed to USD 2,200,000,000 worth redeemable preference shares (RPS) of TSMHL in 2016-17, which during the year were converted to Convertible Preference Shares (CPS) which are convertible to equity shares of TSMHL at the option of the Company or redeemable in cash at the option of TSMHL.

In the FY 2017-18, the Company also subscribed to equity shares of USD 28,411 of its subsidiary, Twin star Mauritius Holdings Ltd (TSMHL) and instead of infusing cash for the equity shares, it took over the net liabilities of the Company of an equivalent amount. During the year 2017-18, subsequent to the liquidation of Twin star Mauritius Holdings Ltd, the Company recognized an impairment of USD 28,411 and the effect of the same were carried through the statement of change in equity.

All the above loans and other payables along with interest were converted to equity by TSMHL. Further the Company opted to convert all of its CPS into equity shares of TSMHL. In total the Company's entire investment in TSMHL and receivable from TSMHL worth USD 3,169,825,635 was converted to equity of TSMHL. Post the above conversion, TSMHL filed for liquidation and the Company has written off its entire above investment net of impairment provision in TSMHL through equity.

The notes on pages 12 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 5 to 7.

BLOOM FOUNTAIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	<u>2023</u> USD	<u>2022</u> USD
Net cash generated from/ (used in) operating activities	14	<u>(29,503)</u>	<u>(6,960)</u>
Cash flows from financing activities			
Proceeds from borrowings	9	<u>50,000</u>	<u>-</u>
Net cash generated from financing activities		<u>50,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		20,497	(6,960)
Cash and cash equivalents at beginning of the year		<u>18,380</u>	<u>25,340</u>
Cash and cash equivalents at end of the year		<u><u>38,877</u></u>	<u><u>18,380</u></u>

The notes on pages 12 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 5 to 7.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. CORPORATE INFORMATION

Bloom Fountain Limited (the "Company") was incorporated in Mauritius as a private company under the Companies Act 2001 on 23 June 2011 and was licensed as a Category 2 Global Business Company on 24 June 2011. Following amendments brought by the Finance Act 2018, the Category 2 Global Business License issued to Category 2 Global Business Companies ("GBC 2") has been abolished and a new type of Company, the Authorised Company, has been introduced effective from 1 January 2019. Existing GBC 2 Companies which were licensed on or before 16 October 2017 will be grandfathered until 30 June 2021.

The Company has by way of shareholder's resolution resolved on 28 June 2021 to convert from a GBC 2 to a Global Business Licence under the same Act. The Company's registered office address is at c/o IQ EQ Corporate Services (Mauritius), 33, Edith Cavell Street, Port Louis, Mauritius.

The Company's principal activity is investment holding and to provide consultancy services.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Company is the holder of a Global Business License and is required to file audited financial statement.

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and Companies Act 2001 for the purpose of providing financial information to the members. The financial statements of the Company have been prepared under the historical cost convention and are presented in United States Dollars ("USD").

The Company has taken advantage of paragraph 4(a) of International Financial Reporting Standards "IFRS 10 - Consolidated Financial Statements", which dispenses it from the need to present consolidated financial statements. The Company is owned by Vedanta Resources Limited which prepares group accounts that comply with International Financial Reporting Standards and these are available for public use from the company secretary, Vedanta Resources Limited, 8th Floor, 20 Farrington Street, London, EC4A 4AB and at www.vedantaresources.com.

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies, which have been applied consistently, is set out below:

(a) Investment in subsidiaries

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries represent equity holdings in subsidiaries except preference shares, valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company accounts for its investment in subsidiary under IAS 27.

(b) 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.

(i) Financial Assets – Recognition & subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(i) Financial Assets – Recognition & subsequent measurement (cont'd)

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.

In order for a financial asset to be classified and measured at amortised cost, 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. Financials assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financials assets refers to how it manages its financials assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financials assets, or both. Financials assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

For the purpose of subsequent measurement, financial assets are classified in the following category:

Financial assets at amortised cost (debt instruments)

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

The Company's financial assets at amortised cost include loan to related party and other receivables.

(ii) Financial Asset – Derecognition

A financials asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 the Company has transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iii) Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities and deposits; and
- b) Other receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(iii) Impairment of financial assets (cont'd)

The Company follows 'simplified approach' for recognition of impairment loss allowance on other receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognised as income/expense in profit or loss. The statement of financial position presentation for various financial instruments is described below:

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(iv) Financial liabilities – Recognition & Subsequent measurement

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

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

The Company's financial liabilities include other payables, loans and borrowings and Optionally convertible redeemable preference shares ("OCRPS").

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(v) Financial liabilities – Recognition & Subsequent measurement (cont'd)

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares are classified as equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to stated capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in 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.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(vi) Financial liabilities – 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. This category generally applies to borrowings.

(vii) Offsetting of financial instruments

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

(c) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post-tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised except if initially attributed to goodwill.

(d) Accounting for foreign currency transactions and translations

The Directors consider USD to be the currency that most faithfully represent the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives capital contribution from its investors. This determination also considers the competitive environment in which the Company operates. The Company's financial instruments are prepared in USD.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All differences are taken to the statement of profit or loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

(e) Current v/s Non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Current v/s Non-current classification (Cont'd)

- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(f) Expense Recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, which are subject to an insignificant risk of changes in value.

(h) Related parties

Related parties are individuals and companies, including the management company, where the individual or the 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.

3(b). Application of new and revised standards

The Company has adopted, with effect from 01 April 2022, the following new and revised standards and interpretations. Their adoption has not had any material impact on the amounts reported in the financial statements.

1. Amendments to IFRS 3 Business Combinations- Reference to the Conceptual Framework
2. Amendments to IFRS 16, IFRS 9, IAS 37 and IAS 41 regarding Interest Rate Benchmark Reform - Phase 2
3. Conceptual framework for financial reporting under IFRS issued by the IASB

Standards issued but not yet effective

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to:	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)	01 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments – Disclosure of Accounting Policies)	01 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)	01 January 2023
IAS 12 Income Taxes (Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	01 January 2023
Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17).	01 January 2023
IAS 1 Presentation of Financial Statements (Amendments—Classification of Liabilities as Current or Non-current)	01 January 2024
IFRS 16 Leases (Amendments- Lease Liability in a Sale and Leaseback)	01 January 2024

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

3(b). Application of new and revised standards (continued)

Standards issued but not yet effective (continued)

IAS 1 Presentation of Financial Statements (Amendments– Non-current Liabilities with Covenants)	01 January 2024
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Amendments - Sale or contribution of assets between an investor and its associate or joint venture)	Defer the effective date of the September 2014 amendments to these standards indefinitely

The amendments are not expected to have a material impact on the Company. The Company has not early adopted any amendments which has been notified but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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

Judgements

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

Functional currency

The directors consider the USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results to the members. This determination also considers the competitive environment in which the Company operates.

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 access to resources to continue in business for the foreseeable future. Refer to note 18 for more details.

Estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

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

The 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 as given below:

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (continued)

Loans & other receivables

The Company uses the provision matrix as a practical expedient to measuring ECLs on Loans and other receivables based on days past due for grouping of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward looking estimates. Refer to note no. 15 for more details.

5. INVESTMENT IN SUBSIDIARY

Western Cluster Limited

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
As at 1 April and 31 March	-	-

Details of the investment held at 31 March 2023 and 2022 are provided below:

Subsidiary	Principal Activity	Country of Incorporation	Type of Shares	No of Shares Held		% Holding		Carrying Value	
				<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
								<u>USD</u>	<u>USD</u>
Western Cluster Limited	Mining	Liberia	Ordinary shares	100	100	100%	100%	-	-

The Company has adopted the policy of measuring its investments at cost less impairment.

During the period ended 31st March 2016, BFL had recognised an impairment of 104.14 Mn USD with respect to its investment made, loan provided and other receivables from its subsidiary WCL.

In the year 2022 following the epidemic and other constraints, various activities took place towards re-start of operations at Bomi concession of WCL (obtaining of Class A Mining License for a period of 25 years, signing of an MOU with GOL, ground-breaking, start of transportation activities between mine and port, completion of 1st shipment and steady shipments thereafter). Parallely International Iron Ore Market prices also rose and stabilized over long term view at optimum levels.

Considering the progress made in terms of operations & shipment as indicated above, there was an upward revision in the cashflow projections of WCL with a PV of ~107.50 Mn USD as of 30th September, which triggered impairment reversal as at that date to the extent of 104.14 Mn USD.

Considering the progress made in terms of operations, shipments as well as considering the increase in PV of cashflows from 107.50 Mn USD as of 30th September 2022 to 131.76 Mn USD as of 31st March 2023, the impairment reversal made for the period ended 30th September 2022 holds good and there is no trigger for reversing the same.

6. LOAN TO RELATED PARTY

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
At 1 April	-	-
Additions during the year	-	-
Impairment reversal during the year	103,692,000	-
At 31 March	103,692,000	-

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

6. LOAN TO RELATED PARTY (CONTINUED)

The entity has loan receivable **USD 103,692,000** from Western Cluster Limited which is interest free, unsecured and repayable by 31st January 2025. During the year the entity has reversed impairment the same due to reasons as stated in Note 5.

7. OTHER RECEIVABLES	<u>2023</u>	<u>2022</u>
	USD	USD
Amount due from subsidiary (Western Cluster Limited)		
At 1 April	-	-
Impairment reversal during the year	478,864	-
At 31 March	478,864	-

Other receivable **USD 478,864** from Western Cluster Limited is towards consultancy fees and receivable on demand. During the year the entity has reversed impairment due to reasons as stated in Note 5.

8. ISSUED CAPITAL	<u>2023</u>	<u>2022</u>
	USD	USD
<u>Issued and fully paid</u>		
Ordinary Shares of USD 1.00 each		
At 1 April and 31 March	2,201,000,001	2,201,000,001

The stated capital of the Company comprises of 2,201,000,001 ordinary shares of par value USD 1 held by Vedanta Limited. The ordinary shares carry voting rights and a right to dividend.

9. BORROWINGS	<u>2023</u>	<u>2022</u>
	USD	USD
<u>Current</u>		
At 1 April	3,536,419	-
Reclassified from non-current	-	3,536,419
At 31 March	3,536,419	3,536,419
	<u>2023</u>	<u>2022</u>
	USD	USD
<u>Non-current</u>		
At 1 April	901,430,000	904,966,419
Addition	50,000	-
Reclassified to current	-	(3,536,419)
At 31 March	901,480,000	901,430,000

- (i) The Company has taken a loan of USD 3,536,419 from THL Zinc Ltd. The loan is unsecured, bears interest at the rate of 7.11% per annum till 31st October 2022 and 8.68% thereafter. The loan is repayable by 31st October 2025 or such later day as may be agreed by the parties.
- (ii) During the financial year 2018, the Company has entered into loan agreement of USD 25,000,000 with Cairn India Holding Limited repayable by 19th March 2021, which is further extended till 31st Mar 2024. The Company has drawn USD 1,430,000 till last year at an interest rate 3.5% per annum with effect from 20th March 2021 and a further amount of USD 50,000 was drawn during the year.
- (iii) During the financial year 2018, the Company was assigned a loan of USD 900,000,000 from Fujairah Gold FZE at an interest of 3% per annum and is repayable by 30th June 2020. The parties have agreed to extend the loan to 31st March 2024 and changes the interest rate from 3% to 3.5% per annum with effect from 1st July 2020.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

10. Optionally Convertible Redeemable Preference Shares ("OCRPS")

There is no movement in the number of Optionally Convertible Redeemable Preference Shares during the year 2022-23.

	OCRPS of USD 1 each and premium of USD 99 (A)	OCRPS of USD 100 each (B)	Number of shares (A+B)	Total value
At 1 April 2020	1,859,900	360,500	2,220,400	222,040,000
At 31 March 2021	1,859,900	360,500	2,220,400	222,040,000
At 31 March 2022	1,859,900	360,500	2,220,400	222,040,000
At 31 March 2023	1,859,900	360,500	2,220,400	222,040,000

(iv)The Company has issued 0.25% optionally convertible redeemable preference shares. Each optionally convertible redeemable preference shares can be converted at the option of the investor into variable number of equity shares, hence classified as current and can be redeemed at the option of the Company at any time.

In accordance with paragraph 16 of IAS 32 Financial Instruments: Presentation, the Optionally Convertible Redeemable Preference Shares (OCRPS) have been classified as a liability.

11. OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Audit fees	8,000	21,000
Management consultancy fees	24,600	17,328
Accrued interest on Optionally Convertible Redeemable preference shares*	863,858	769,098
Payable to related parties*	236,385	236,385
Interest payable*	219,313,778	187,488,134
	<u>220,446,621</u>	<u>188,531,945</u>

*Repayable on demand.

12. NET FINANCE COST

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Interest on borrowings	31,825,644	31,801,489
Interest on Optionally Convertible Redeemable Preference Shares	94,760	94,760
Bank charges	670	70
	<u>31,921,074</u>	<u>31,896,319</u>

13. TAXATION

The Company, being the holder of a Global Business Licence, is liable to tax in Mauritius.

Regulatory

Bloom Fountain Limited ("the Company") was incorporated as a private limited Company in Mauritius on 23 June 2011. Since its incorporation and until 28 June 2021, the Company was the holder of a Category 2 Global Business Licence under the Financial Services Act 2007. The Company has by way of shareholder's resolution resolved on 28 June 2021 to convert from a GBC 2 to a Global Business Licence under the same Act.

Tax

The income of the Company is exempt from income tax in Mauritius up to 30 June 2021. Where the Company will hold a Global Business Licence as from 1 July 2021, it will be taxable on its world-wide income on an accrual basis at the rate of 15%.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

13. TAXATION (CONTINUED)

A partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments may apply: the partial exemption will be subject to meeting substance criteria as laid down under relevant legislation and computed at 80% of the income in question. The partial exemption will not be mandatory: the Company may also claim foreign tax suffered as credit against its Mauritian tax liability, if it so wishes.

14. NET CASH GENERATED FROM/USED IN OPERATING ACTIVITIES

	<u>2023</u>	<u>2022</u>
	USD	USD
Profit/(Loss) before tax	72,226,685	(31,943,964)
<i>Adjustments for:</i>		
Reversal of Impairment of loan to related party (Refer to note 6)	(103,692,000)	-
Increase of other receivables (Refer to note 7)	(478,864)	-
<i>Changes in working capital:</i>		
Increase in other payables	31,914,676	31,937,004
Net cash generated from (used in) operating activities	<u>(29,503)</u>	<u>(6,960)</u>

15. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of the Company's financial assets and liabilities approximate their fair values.

	<u>2023</u>	<u>2022</u>
	USD	USD
Financial assets- At amortised cost		
Cash and cash equivalents	38,877	18,380
Total financial assets – At amortised cost	<u>38,877</u>	<u>18,380</u>
Financial liabilities – At amortised cost	<u>2023</u>	<u>2022</u>
	USD	USD
Other payables	220,446,621	188,531,945
Borrowings	905,016,419	904,966,419
Optionally Convertible Redeemable Preference Shares	222,040,000	222,040,000
Total financial liabilities – At amortised cost	<u>1,347,503,040</u>	<u>1,315,538,364</u>

Currency profile

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

	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	USD	USD	USD	USD
United States Dollars	<u>38,877</u>	<u>1,347,503,040</u>	18,380	<u>1,315,538,364</u>

The Company is not exposed to currency risk.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

15. FINANCIAL INSTRUMENTS (CONT'D)

Currency profile (cont'd)

(a) Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not have any exposure to market risk.

(b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table details the Company's exposure to interest rate risks. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.

31 March 2023	Interest bearing	Non-interest bearing	Total
Assets			
Cash and cash equivalents	-	38,877	38,877
Total assets	-	38,877	38,877
Liabilities			
Borrowings – Non current			
Fixed Interest Instruments	901,480,000	-	901,480,000
Variable Interest Instruments	-	-	-
Borrowings – Current			
Fixed Interest Instruments	3,536,419	-	3,536,419
Variable Interest Instruments	-	-	-
Optionally Convertible			
Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	220,446,621	220,446,621
Total Liabilities	1,127,056,419	220,446,621	1,347,503,040
31 March 2022	Interest bearing	Non-interest bearing	Total
Assets			
Cash and cash equivalents	-	18,380	18,380
Total assets	-	18,380	18,380
Liabilities			
Borrowings – Non current			
Fixed Interest Instruments	901,430,000	-	901,430,000
Borrowings – Current			
Fixed Interest Instruments	3,536,419	-	3,536,419
Variable Interest Instruments	-	-	-
Optionally Convertible			
Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	188,531,945	188,531,945
Total Liabilities	1,127,006,419	188,531,945	1,315,538,364

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

15. FINANCIAL INSTRUMENTS (CONT'D)

Currency profile (cont'd)

(b) Interest rate risk management (cont'd)

Interest rate sensitivity

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the net loss for the year ended 31 March 2023 would increase/ decrease by USD NIL (2022: USD NIL) on account of net financial liabilities.

Financial Instruments

	At 31 March 2023	
	Interest rate	
	Low	High
Borrowings	-1%	1%
Impact on total assets of the Company	-	-

Financial Instruments

	At 31 March 2022	
	Interest rate	
	Low	High
Borrowings	-1%	1%
Impact on total assets of the Company	-	-

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from its loans and other receivables and cash and cash equivalents.

The Company has clearly defined policies to mitigate counterparty risks. For cash and cash equivalents, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

Credit risk on loans and other receivables is limited as the counterparties, which are all related parties, have obtained financial support from the immediate holding company to enable them to meet their obligations as and when they fall due and to carry on with their current business for next 18 months. As such, management considers the probability of default to be close to zero and hence no allowance has been recognised based on 12-months ECL.

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

	2023	2022
	USD	USD
Cash and cash equivalents	38,877	18,380
	38,877	18,380

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

15. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management

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 Company's reputation. At 31 March 2023, the Company had financial liabilities of **USD 1,347,503,040** (2022: USD 1,315,538,364), with a maturity profile mentioned in table below. These consist mostly of borrowings from related party, amount due to related parties and other payables. At reporting date, the bank balance amounted to **USD 38,877** (2022: USD 18,380), which is insufficient to finance the Company's financial liabilities.

However, the Company has recourse to its holding companies for such financing and the parent has indicated its intention to continue to provide financial support for at least 18 months as from the date of this report. As such, liquidity risk is considered as minimal.

The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below:

	<u>On Demand</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
	USD	USD	USD	USD
<u>31 March 2023</u>				
<i>Liabilities</i>				
Borrowings	-	3,536,419	901,480,000	905,016,419
Optionally Convertible Redeemable Preference Shares	222,040,000	-	-	222,040,000
Other payables	220,446,621	-	-	220,446,621
	<u>442,486,621</u>	<u>3,536,419</u>	<u>901,480,000</u>	<u>1,347,503,040</u>
 <u>31 March 2022</u>				
<i>Liabilities</i>				
Borrowings	-	3,536,419	901,430,000	904,966,419
Optionally Convertible Redeemable Preference Shares	222,040,000	-	-	222,040,000
Other payables	188,493,617	38,328	-	188,531,945
	<u>410,533,617</u>	<u>3,574,747</u>	<u>901,430,000</u>	<u>1,315,538,364</u>

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

15. FINANCIAL INSTRUMENTS (CONT'D)

Reconciliation of Liabilities arising from financing activities:

	<u>Borrowings</u>		<u>Interest payable</u>	
	<u>Due within 1 year</u>	<u>Due after 1 year</u>	<u>Due within 1 year</u>	<u>Due after 1 year</u>
At 1 April 2021	-	904,966,419	156,360,989	-
Reclassification from current to Non-current	3,536,419	(3,536,419)		
Other non-cash changes	-	-	31,896,243	-
At 1 April 2022	3,536,419	901,430,000	188,257,232	-
Cash flow	-	50,000	-	-
Other non-cash changes	-	-	31,920,404	-
At 31 March 2023	3,536,419	901,480,000	220,177,636	-

Capital risk management

For the purpose of the Company's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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

Gearing ratio

The gearing ratio at the year-end was as follows:

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Debt (i)	1,127,056,419	1,127,006,419
Cash and cash equivalents	(38,877)	(18,380)
Net debt	<u>1,127,017,542</u>	<u>1,126,988,039</u>
Equity (ii)	<u>(1,243,293,299)</u>	<u>(1,315,519,984)</u>
Net debt to equity ratio (times)	N/A	N/A

- (i) Debt includes Optionally Convertible Redeemable Preference Shares of **USD 222,040,000** (2022: USD 222,040,000), loan from THL Zinc Limited to **USD 3,536,419** (2022: USD 3,536,419), loan from Fujairah Gold FZE. amounting to **USD 900,000,000** (2022: USD 900,000,000) and loan from Cairn India Holdings limited amounting to **USD 1,480,000** (2022: USD 1,430,000).
- (ii) Equity includes all capital, other equity and reserves of the Company.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

16. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2023, the Company transacted with certain related parties. The nature and volume of transactions with the entities are as follows:

<u>Name of company</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>2023 USD</u>	<u>2022 USD</u>
Transactions				
THL Zinc Ltd	Group Company	Interest expenses	274,573	251,439
Vedanta Limited	Holding Company	Interest on Optionally Convertible Redeemable Preference Shares	94,760	94,760
Fujairah Gold FZE	Group Company	Interest expenses	31,500,000	31,500,000
Cairn India Holding Limited	Group Company	loan received	50,000	-
		Interest expenses	51,071	50,050
Outstanding balances				
Western Cluster Limited	Subsidiary	Other receivables (Refer to note 7)	478,864	-
	Subsidiary	Loan given (Refer to Note 6)	103,692,000	-
		Trade Payable	(22,430)	(22,430)
Vedanta Limited	Holding Company	Optionally Convertible Redeemable Preference Shares	(222,040,000)	(222,040,000)
		Accrued interest on Optionally Convertible Redeemable Preference Shares (Refer to Note 11)	(863,855)	(769,098)
THL Zinc Ltd	Group Company	Loan payables Refer to (note 9)	(3,536,419)	(3,536,419)
		Interest payable (Refer to note 11)	(1,240,073)	(965,500)
		Other payable (Refer to note 11)	(14,638)	(14,638)
Fujairah Gold FZE	Group Company	Loan payables Refer to note 9)	(900,000,000)	(900,000,000)
		Interest payable (Refer to note 11)	(217,847,222)	(186,347,222)
Cairn India Holding Limited	Group Company	Loan payables (Refer to note 9)	(1,480,000)	(1,430,000)
		Interest payable (Refer to note 11)	(226,485)	(175,415)
Vedanta Resources Plc	Group Company	Other payables (Refer to note 11)	(199,317)	(199,317)

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2023

16. RELATED PARTY TRANSACTIONS (CONT'D)

Compensation to Key Management Personnel

No compensation to key management personnel was paid during the year ended 31 March 2023 (2022: NIL).

Other related party transactions

Fees charged by management of the Company

	2023	2022
	USD	USD
<i>Transactions</i>		
Total fees charged by management entity	<u>14,725</u>	<u>20,420</u>

Included in total fees charged by management entity, is an amount of **USD 4,000** (2022: USD 4,000) pertaining to professional fees for the provision of directorship services.

17. HOLDING, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Vedanta Limited, a company incorporated in India. The Company's intermediate holding company is Vedanta Resources Limited a company incorporated in the United Kingdom. The ultimate controlling party of the Company is Volcan Investments Limited and its wholly owned subsidiary Volcan Investment Cyprus Limited, which is beneficially owned by the Anil Agarwal Discretionary Trust. Volcan Investments Limited is incorporated in the Bahamas and does not prepare Consolidated financial statements.

18. GOING CONCERN

The Company incurred a net loss of **USD 31,944,182** (excluding exceptional item) (2022: USD 31,943,964) for the year ended 31 March 2023 and as at that date, its total liabilities exceeded its total assets by **USD 1,243,293,299** (2022: USD 1,315,519,984) and its current liabilities exceed its current assets by **USD 445,505,299** (2022: USD 414,089,984).

The directors have received a letter of support from Vedanta Limited, the immediate holding company, who will provide financial support to the Company to enable the latter to meet its obligations as and when they fall due and to carry on its current business for the next 12 months.

These conditions give rise to a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue to receive the support of its immediate holding company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

19. EVENTS AFTER REPORTING PERIOD

There have been no material events after the reporting date which you would require disclosure or adjustment to the financial statements for the year ended 31 March 2023.