

**BLOOM FOUNTAIN LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2022**

**BLOOM FOUNTAIN LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**BLOOM FOUNTAIN LIMITED****CORPORATE INFORMATION**

		<b>Date of appointment</b>	<b>Date of resignation</b>
<b>DIRECTORS:</b>	ISLA Limited	31 Dec 2014	28 Jun 2021
	Mr. Sevin Chendriah	28 Jun 2021	
	Ms Bhavana Banymandhub	28 Jun 2021	
<b>ADMINISTRATOR &amp; SECRETARY:</b>	IQ EQ Corporate Services Mauritius Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
<b>REGISTERED OFFICE:</b>	C/o IQ EQ Corporate Services Mauritius Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
<b>AUDITOR:</b>	Ernst & Young 9th Floor, NeXTeracom Tower I Cybercity Ebène Mauritius		
<b>BANKER:</b>	Standard Chartered Bank (Mauritius) Limited Units 6A & 6B 6 <sup>th</sup> Floor, Standard Chartered Tower Lot 19, Cybercity Ebène Mauritius		

## **BLOOM FOUNTAIN LIMITED 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 2022.

### **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 2022 is USD **31,943,964** (2021: USD 30,907,633).

The directors do not recommend any payment of dividend for the year ended 31 March 2022. (2021: Nil).

The directors have assessed the impact of Covid-19 global pandemic on the Company and its subsidiaries. The Company and its subsidiary do not have any onerous contracts as a result of the pandemic and 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 18 months.

### **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, Ernst & Young, has indicated its willingness to continue in office and will be decided in the next Annual meeting.

**BLOOM FOUNTAIN LIMITED**

**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 2022, all such returns, if any, as required of the Company under the Mauritius Companies Act 2001.



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For IQ EQ Corporate Services (Mauritius) Ltd  
Company Secretary

Date: 21 July 2022

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BLOOM FOUNTAIN LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### *Opinion*

We have audited the financial statements of Bloom Fountain Limited ("the Company") set out on pages 8 to 31, which comprise the statement of financial position as at 31 March 2022, 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 significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

##### *Basis for Opinion*

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

##### *Material Uncertainty Related to Going Concern*

We draw attention to Note 18 to the financial statements, which indicates that the Company incurred a net loss for the year ended 31 March 2022 of USD 31,943,964 and as at that date, is in a net current liability position of USD 414,089,984, and its total liabilities exceeded its total assets by USD 1,315,519,984. These conditions along with other matters set forth in Note 18 indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "Bloom Fountain Limited Financial Statements for The Year Ended 31 March 2022", which includes the Corporate Information, Commentary of the Directors and Certificate from the Secretary as required by the Companies Act 2001.

The other information does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BLOOM FOUNTAIN LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Responsibilities of the Directors for the Financial Statements*

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BLOOM FOUNTAIN LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

*Use of our report*

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

*Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



ERNST & YOUNG  
Ebène, Mauritius



ANDRE LAI WAN LOONG, F.C.A.  
Licensed by FRC


21 July 2022  
Date: .....

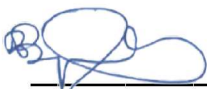


**BLOOM FOUNTAIN LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2022**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		<u>USD</u>	<u>USD</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	5	-	-
Loan to related party	6	-	-
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Other receivables	7	-	-
Cash and cash equivalents	15	<u>18,380</u>	<u>25,340</u>
<b>Total current assets</b>		<u>18,380</u>	<u>25,340</u>
<b>Total assets</b>		<u>18,380</u>	<u>25,340</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	8	<u>2,201,000,001</u>	2,201,000,001
Accumulated losses		<u>(346,722,761)</u>	(314,778,797)
Other equity reserve		<u>(3,169,797,224)</u>	(3,169,797,224)
<b>Shareholder's deficit</b>		<u>(1,315,519,984)</u>	<u>(1,283,576,020)</u>
<b>Non-current liabilities</b>			
Borrowings	9	<u>901,430,000</u>	904,966,419
<b>Total non-current liabilities</b>		<u>901,430,000</u>	904,966,419
<b>Current liabilities</b>			
Borrowings	9	<u>3,536,419</u>	-
Optionally Convertible Redeemable Preference Shares	10	<u>222,040,000</u>	222,040,000
Other payables	11	<u>188,531,945</u>	156,594,941
<b>Total current liabilities</b>		<u>414,108,364</u>	<u>378,634,941</u>
<b>Total liabilities</b>		<u>1,315,538,364</u>	<u>1,283,601,360</u>
<b>Total equity and liabilities</b>		<u>18,380</u>	<u>25,340</u>

These financial statements have been approved by the Board of Directors and authorised for issue on 21 July 2022.

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

The notes on pages 12 to 31 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 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		USD	USD
<b>INCOME</b>			
Liabilities written back		-	-
<b>EXPENSES</b>			
Audit fees		(22,000)	(20,000)
Professional fees		(25,645)	(4,495)
License fees		-	(65)
		<u>(47,645)</u>	<u>(24,560)</u>
Impairment of loan to related party	6	-	(1,22,000)
Impairment of other receivables	7	-	-
Net finance cost	12	<u>(31,896,319)</u>	<u>(30,761,073)</u>
<b>Loss before taxation</b>		<b>(31,943,964)</b>	<b>(30,907,633)</b>
Income tax expense	13	-	-
<b>Loss for the year</b>		<b>(31,943,964)</b>	<b>(30,907,633)</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<b><u>(31,943,964)</u></b>	<b><u>(30,907,633)</u></b>

The notes on pages 12 to 31 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 2022**

	Issued Capital	Accumulated losses	Other equity Reserve (Note 1)	Total
	USD	USD	USD	USD
<b>At 1 April 2020</b>	<b>2,201,000,001</b>	<b>(283,871,164)</b>	<b>(3,169,797,224)</b>	<b>(1,252,668,387)</b>
Loss for the year and total comprehensive loss	-	(30,907,633)	-	(30,907,633)
<b>At 31 March 2021</b>	<b>2,201,000,001</b>	<b>(314,778,797)</b>	<b>(3,169,797,224)</b>	<b>(1,283,576,020)</b>
<b>At 1 April 2021</b>	<b>2,201,000,001</b>	<b>(314,778,797)</b>	<b>(3,169,797,224)</b>	<b>(1,283,576,020)</b>
Loss for the year and total comprehensive loss	-	(31,943,964)	-	(31,943,964)
<b>At 31 March 2022</b>	<b>2,201,000,001</b>	<b>(346,722,761)</b>	<b>(3,169,797,224)</b>	<b>(1,315,519,984)</b>

**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.

**BLOOM FOUNTAIN LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	<u>2022</u> USD	<u>2021</u> USD
<b>Net cash used in operating activities</b>	14	<u>(6,960)</u>	<u>(23,325)</u>
<b>Investing activities</b>			
Loan to subsidiary	6	-	(122,000)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(122,000)</u>
<b>Financing activities</b>			
Proceeds from borrowings	9	-	150,000
<b>Net cash from financing activities</b>		<u>-</u>	<u>150,000</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,960)</b>	4,675
<b>Cash and cash equivalents at the beginning of year</b>		<u><b>25,340</b></u>	<u>20,665</u>
<b>Cash and cash equivalents at end of year</b>		<u><b>18,380</b></u>	<u>25,340</u>

The notes on pages 11 to 31 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 2022**

**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 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 GBL holder are required to file audited financials statement.

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) & 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](http://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. 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

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

(b) Financial Instruments (Cont'd)

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

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 financials assets in order to collect contractual cash flows.

For 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 (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 includes 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(a) 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
- 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

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

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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

(b) Financial Instruments (Cont'd)

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

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")

*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.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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 (cont'd)*

**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 2022**

**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 2022**

**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 2022**

**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). New Standard and Interpretations**

**Standards and interpretations effective and adopted in the current year**

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 :

<b>Standard / interpretations:</b>	<b>Effective date:Years beginning on or after</b>	<b>Expected impact:</b>
Interest rate benchmark reform-phase 2: Amendments to IFRS 7	01 January 2021	The impact of the amendment is not material
Interest rate benchmark reform-phase 2: Amendments to IFRS 9	01 January 2021	The impact of the amendment is not material
Interest rate benchmark reform-phase 2: Amendments to IFRS 4	01 January 2021	The impact of the amendment is not material
Interest rate benchmark reform-phase 2: Amendments to IFRS 16	01 January 2021	The impact of the amendment is not material
Interest rate benchmark reform-phase 2: Amendments to IAS 39	01 January 2021	The impact of the amendment is not material
COVID-19-Related Rent Concession-Amendment to IFRS 16	01 April 2021	The impact of the amendment is not material

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3(b). New Standard and Interpretations (CONT'D)**

**Standard and interpretations not yet effective**

The group has chosen not to really adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2022 or later periods:

<b>Standard / interpretations:</b>	<b>Effective date:Years beginning on or after</b>	<b>Expected impact:</b>
Annual Improvement to IFRS Standards 2018-2020: Amendment to IAS 41	01 January 2022	Unlikely there will be material impact
Annual Improvement to IFRS Standards 2018-2020: Amendment to IFRS 9	01 January 2022	Unlikely there will be material impact
IFRS 17 insurance contracts	01 January 2023	Unlikely there will be material impact
Amendment to IFRS 10 AND IAS 28: Sale or Contribution of asset between an investor and its Associate or Joint Venture	Not yet effective	Unlikely there will be material impact
Deferred tax related to assets and liabilities arising from a single transaction-Amendment to IAS 12	01 January 2023	Unlikely there will be material impact
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice statement 2.	01 January 2023	Unlikely there will be material impact
Definition of accounting estimates :Amendments to IAS 8	01 January 2023	Unlikely there will be material impact
Classification of Liabilities as Current or Non-current - Amendment to IAS 1	01 January 2023	Unlikely there will be material impact
Annual Improvement to IFRS Standards 2018-2020: Amendment to IFRS 1	01 January 2022	Unlikely there will be material impact
References to the conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be material impact
Property, Plant and Equipment: proceeds before intended Use: Amendments to IAS 16	01 January 2022	Unlikely there will be material impact
Onerous contracts - Cost of Fulfilling a Contract : Amendment to IAS 37	01 January 2022	Unlikely there will be material impact

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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:

*Loans & other receivables*

The Company uses the provision matrix as a practical expedient to measuring ECLs on Loans & 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 note no. 15 for more details.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**

*Impact of Covid-19*

The outbreak of novel Coronavirus (COVID-19) pandemic globally and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe.

The principal activities of the Company are investment holding and to provide consultancy services. There is no impact of Covid-19 on the recoverability of its investments, loans and receivables, etc in accordance with IFRS as these balances are already impaired based on the recoverability. Based on the assessment, there is no crucial impact of the Pandemic on Company's operational existence for the foreseeable future and no adjustments are required in the Financial statements for the year ended 31 March, 2022.

The directors have assessed the impact of Covid-19 global pandemic on the Company and its subsidiary. The Company and its subsidiary do not have any onerous contracts as a result of the pandemic and 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 18 months.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**5. INVESTMENT IN SUBSIDIARY**

**Western Cluster Limited**

	<b>2022</b>	2021
	<b>USD</b>	USD
As at 1 April and 31 March	-	-

Details of the investment held at 31 March 2022 and 2021 are provided below:

Subsidiary	Principal Activity	Country of Incorporation	Type of Shares	No of Shares Held		% Holding		Carrying Value	
				<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
								USD	USD
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.

Western Cluster Limited has a group of iron ore properties northwest of Monrovia in Liberia (under the name of Bomi, Bea and Mano). Exploratory drilling of approximately 120,000 meters had been done so far at Liberia which had resulted in externally certified resource determination of 3.8 Billion tons. The project had been put on hold during the financial year 2015 due to Ebola situation. Post Ebola, low Iron ore prices have triggered the need to review the carrying value of both the investment and the loan. The asset is presently at an exploratory stage. Due to a downward revision of cash flow projections relating to the expected persistence of a lower iron ore price, there is continued uncertainty on committing any capex at this stage of the Project.

Hence, considering the continued uncertainty, the total carrying value of the investment, loan and other receivable has been impaired.

**6. LOAN TO RELATED PARTY**

	<b>2022</b>	2021
	<b>USD</b>	USD
At 1 April	-	-
Additions during the year	-	122,000
Impairment during the year	-	(122,000)
At 31 March	-	-

The entity has loan receivable USD 10,36,92,000 from Western Cluster Limited which is interest free, unsecured and repayable by 31<sup>st</sup> January 2025. The entity has fully impaired the same due to reasons as stated in Note 5.

**7. OTHER RECEIVABLES**

	<b>2022</b>	2021
	<b>USD</b>	USD
Amount due from subsidiary (Western Cluster Limited)		
At 1 April	-	-
Impairment during the year	-	-
At 31 March	-	-

Other receivable USD 478,864 from Western Cluster Limited is towards consultancy fees and receivable on demand. The advances have been fully impaired in previous year due to reasons as stated in Note 5.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>8. ISSUED CAPITAL</b>		<b>2022</b>	2021
		<b>USD</b>	USD
	<u>Issued and fully paid</u>		
	Ordinary Share of USD 1.00 each		
	At 1 April and 31 March	<b>2,201,000,001</b>	<b>2,201,000,001</b>
	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.		
<b>9. BORROWINGS</b>		<b>2022</b>	2021
		<b>USD</b>	USD
	<b><u>Current</u></b>		
	At 1 April	-	901,280,000
	Addition	-	-
	Reclassified from non-current	<b>3,536,419</b>	-
	Reclassified to non-current	-	(901,280,000)
	<b>At 31 March</b>	<b>3,536,419</b>	-
		<b>2022</b>	2021
		<b>USD</b>	USD
	<b><u>Non-Current</u></b>		
	At 1 April	<b>904,966,419</b>	3,536,419
	Addition	-	150,000
	Reclassified to current	<b>(3,536,419)</b>	-
	Reclassified from current	-	901,280,000
	<b>At 31 March</b>	<b>901,430,000</b>	904,966,419

- (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 2.6% per annum till 28 February, 2020 and 7.11% thereafter. The loan is repayable by 31 October 2022 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 19<sup>th</sup> March 2021, which is further extended till 31<sup>st</sup> Mar 2024. The Company has drawn USD 1,430,000 till last year at an interest rate 3.5% per annum with effect from 20<sup>th</sup> March 2021.
- (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 30<sup>th</sup> June 2020. The parties have agreed to extend the loan to 31<sup>st</sup> March 2024 and changes the interest rate from 3% to 3.5% per annum with effect from 1<sup>st</sup> July 2020.

**10. OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS")**

There is no movement in the number of Optionally Convertible Redeemable Preference Shares during 2021-22.

	<b>OCRPS of USD</b>			
	<b>1 each and</b>	<b>OCRPS of</b>	<b>Number of</b>	<b>Total value</b>
	<b>premium of</b>	<b>USD 100 each</b>	<b>shares</b>	
	<b>USD 99</b>	<b>(B)</b>	<b>(A+B)</b>	
	<b>(A)</b>			
At 1 April 2019	1,859,900	360,500	2,220,400	222,040,000
At 31 March 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	<b>1,859,900</b>	<b>360,500</b>	<b>2,220,400</b>	<b>222,040,000</b>



**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10. OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS") (CONT'D)**

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>2022</u>	<u>2021</u>
	USD	USD
Audit fees	21,000	20,000
Management consultancy fees	17,328	-
Accrued interest on Optionally Convertible Redeemable preference shares*	769,098	674,338
Payable to related parties*	236,385	213,955
Interest payable*	187,488,134	155,686,648
	<u>188,531,945</u>	<u>156,594,941</u>

\*Repayable on demand.

**12. NET FINANCE COST**

	<u>2022</u>	<u>2021</u>
	USD	USD
Interest on borrowings	31,801,489	30,665,848
Interest on Optionally Convertible Redeemable Preference Shares	94,760	94,760
Bank charges	70	465
	<u>31,896,319</u>	<u>30,761,073</u>

**13. TAXATION**

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

**Regulatory**

The Financial Services Commission ("FSC") issued a Category 2 Global Business Licence ("GBL2") to the company on 23 June 2011. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPPA 2018") to the Financial Services Act ("FSA"), the FSC cannot issue any GBL2 as from 1 January 2019. The GBL2 of the Company shall lapse on 30 June 2021 under section 96A(1)(c)(i) of the FSA.

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 worldwide income on an accrual basis at the rate of 15%. 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.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**14. NET CASH GENERATED USED IN OPERATING ACTIVITIES**

	<u>2022</u>	<u>2021</u>
	USD	USD
Loss before tax	(31,943,964)	(30,907,633)
<i>Adjustments for:</i>		
Impairment of loan to related party (Refer note 6)	-	122,000
Impairment of other receivables (Refer note 7)	-	-
<i>Changes in working capital:</i>		
Increase in other payables	<u>31,937,004</u>	<u>30,762,308</u>
<b>Net cash used in operating activities</b>	<u><b>(6,960)</b></u>	<u><b>(23,325)</b></u>

**15. FINANCIAL INSTRUMENTS**

Fair values

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

	<u>2022</u>	<u>2021</u>
	USD	USD
<b>Financial assets-At amortised cost</b>		
Cash and cash equivalents	<u>18,380</u>	<u>25,340</u>
<b>Total financial assets – At amortised cost</b>	<u><b>18,380</b></u>	<u><b>25,340</b></u>
<b>Financial liabilities – At amortised cost</b>	<u>2022</u>	<u>2021</u>
	USD	USD
Other payables	188,531,945	156,594,941
Borrowings	904,966,419	904,966,419
Optionally Convertible Redeemable Preference Shares	<u>222,040,000</u>	<u>222,040,000</u>
<b>Total financial liabilities – At amortised cost</b>	<u><b>1,315,538,364</b></u>	<u><b>1,283,601,360</b></u>

Currency profile

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

	<u>Financial</u>	<u>Financial</u>	<u>Financial</u>	<u>Financial</u>
	<u>assets</u>	<u>liabilities</u>	<u>assets</u>	<u>liabilities</u>
	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
	USD	USD	USD	USD
United States Dollars	<u>18,380</u>	<u>1,315,538,364</u>	<u>25,340</u>	<u>1,283,601,360</u>

The Company is not exposed to currency risk.

(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.

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. FINANCIAL INSTRUMENTS (CONT'D)**

Currency profile (cont'd)

(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.

<b><u>31 March 2022</u></b>	<b>Interest bearing</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>Assets</b>			
Loan Receivables	-	-	-
Cash and cash equivalents	-	<b>18,380</b>	<b>18,380</b>
<b>Total assets</b>	<b>-</b>	<b>18,380</b>	<b>18,380</b>
<b>Liabilities</b>			
Borrowings – Non current			
Fixed Interest Instruments	<b>901,430,000</b>	-	<b>901,430,000</b>
Variable Interest Instruments	-	-	-
Borrowings – Current			
Fixed Interest Instruments	<b>3,536,419</b>	-	<b>3,536,419</b>
Variable Interest Instruments	-	-	-
Optionally Convertible Redeemable Preference Shares	<b>222,040,000</b>	-	<b>222,040,000</b>
Other payables	-	<b>188,531,945</b>	<b>188,531,945</b>
<b>Total Liabilities</b>	<b>1,127,006,419</b>	<b>188,531,945</b>	<b>1,315,538,364</b>
<b><u>31 March 2021</u></b>	<b>Interest bearing</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	-	25,340	25,340
<b>Total assets</b>	<b>-</b>	<b>25,340</b>	<b>25,340</b>
<b>Liabilities</b>			
Borrowings – Non current			
Fixed Interest Instruments	904,966,419	-	904,966,419
Borrowings – Current			
Fixed Interest Instruments	-	-	-
Variable Interest Instruments	-	-	-
Optionally Convertible Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	156,594,941	156,594,941
<b>Total Liabilities</b>	<b>1,127,006,419</b>	<b>156,594,941</b>	<b>1,283,601,360</b>

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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 2022 would increase/ decrease by USD NIL (2021: USD NIL) on account of net financial liabilities.

**Financial Instruments**

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

**Financial Instruments**

	<b>At 31 March 2021</b>	
	<b>Interest rate</b>	
	<b>Low</b>	<b>High</b>
	<b>-1%</b>	<b>1%</b>
Borrowings	-	-
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.

The Company has impaired outstanding loan and other receivables from related parties during the year due to reasons as stated in Note 5. There are no financial asset remaining other than cash and cash equivalent as on March 31, 2022 and hence there is no default risk on financial assets existing as on balance sheet date.

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

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cash and cash equivalents	<b>18,380</b>	25,340
	<b>18,380</b>	25,340

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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 2022, the Company had financial liabilities of USD 1,315,538,364 (2021: 1,283,601,360), 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 18,380 (2021: USD 25,340), 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>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>31 March 2022</u>				
<i>Liabilities</i>				
Borrowing	-	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>
<u>31 March 2021</u>				
<i>Liabilities</i>				
Borrowings	-	-	904,966,419	904,966,419
Optionally Convertible Redeemable Preference Shares	222,040,000	-	-	222,040,000
Other payables	156,574,941	20,000	-	156,594,941
	<u>378,614,941</u>	<u>20,000</u>	<u>904,966,419</u>	<u>1,283,601,360</u>

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15. FINANCIAL INSTRUMENTS (CONT'D)**

**Reconciliation of Liabilities arising from Financing Activities:**

	<u>Borrowings</u>		<u>Interest payables</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>
<b>At 1 April 2020</b>	901,280,000	3,536,419	125,600,381	-
Cash flow	-	150,000	-	-
Reclassification from Non-current to current	-	-	-	-
Reclassification from current to Non-current	(901,280,000)	901,280,000		
Other non-cash changes	-	-	30,760,608	-
<b>At 1 April 2021</b>	-	904,966,419	156,360,989	-
Cash flow	-	-	-	-
Reclassification from current to Non-current	-	-	-	-
Reclassification from Non-current to current	3,536,419	(3,536,419)	-	-
Other non-cash changes	-	-	31,896,243	-
<b>At 31 March 2022</b>	<b>3,536,419</b>	<b>901,430,000</b>	<b>188,257,232</b>	<b>-</b>

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>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
Debt (i)	1,127,006,419	1,127,006,419
Cash and cash equivalents	(18,380)	(25,340)
<b>Net debt</b>	<b>1,126,988,039</b>	<b>1,126,981,079</b>
Equity (ii)	(1,315,519,984)	(1,283,454,020)
Net debt to equity ratio (times)	N/A	N/A

- (i) Debt includes Optionally Convertible Redeemable Preference Shares of USD 222,040,000 (2021: USD 222,040,000), loan from THL Zinc Limited to USD 3,536,419 (2021: USD 3,536,419), loan from Fujairah Gold FZE amounting to USD 900,000,000 (2021: USD 900,000,000) and loan from Cairn India Holdings limited amounting to USD 1,430,000 (2021: 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 2022**

**16. RELATED PARTY TRANSACTIONS**

During the year ended 31 March 2022, the Company transacted with certain related parties. The nature and volume of transactions with the entities are as follows:

<b><u>Name of company</u></b>	<b><u>Relationship</u></b>	<b><u>Nature of Transaction</u></b>	<b><u>2022 USD</u></b>	<b><u>2021 USD</u></b>
<b>Transactions</b>				
Western Cluster Limited	Subsidiary	Additional loan given	-	122,000
THL Zinc Ltd	Group Company	Interest expenses	<b>251,439</b>	251,439
Vedanta Limited	Holding Company	Interest on Optionally Convertible Redeemable Preference Shares	<b>94,760</b>	94,760
Fujairah Gold FZE	Group Company	Interest expenses	<b>31,500,000</b>	30,375,000
Cairn India Holding Limited	Group Company	loan taken	-	150,000
		Interest expenses	<b>50,000</b>	39,409
<b>Outstanding balances</b>				
Western Cluster Limited	Subsidiary	Other receivables (Refer note 7)	-	-
	Subsidiary	Loan given (Refer Note 6)	-	-
		Trade Payable	<b>(22,430)</b>	-
Vedanta Limited	Holding Company	Optionally Convertible Redeemable Preference Shares	<b>(222,040,000)</b>	(222,040,000)
		Accrued interest on Optionally Convertible Redeemable Preference Shares (Refer Note 11)	<b>(769,098)</b>	(674,338)
THL Zinc Ltd	Group Company	Loan payables Refer (note 9)	<b>(3,536,419)</b>	(3,536,419)
		Interest payable (Refer note 11)	<b>(965,500)</b>	(714,061)
		Other payable (Refer note 11)	<b>(14,638)</b>	(14,638)
Fujairah Gold FZE	Group Company	Loan payables Refer note 9)	<b>(900,000,000)</b>	(900,000,000)
		Interest payable (Refer note 11)	<b>(186,347,222)</b>	(154,847,222)
Cairn India Holding Limited	Group Company	Loan payables (Refer note 9)	<b>(1,430,000)</b>	(1,430,000)
		Interest payable (Refer note 11)	<b>(175,415)</b>	(125,365)
Vedanta Resources Plc	Group Company	Other payables (Refer note 11)	<b>(199,317)</b>	(199,317)

**BLOOM FOUNTAIN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**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 2022 (2021: NIL).

**Other related party transactions**

**Fees charged by management of the Company**

	<b>2022</b>	2021
	<b>USD</b>	USD
<i>Transactions</i>		
Total fees charged by management entity	<u><b>20,420</b></u>	<u><b>2,325</b></u>

Included in total fees charged by management entity, is an amount of USD 4,000 (2021: USD 750) 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 produce Consolidated financial statements.

**18. GOING CONCERN**

The Company incurred a net loss of USD 31,943,964 (2021: USD 30,907,633) for the year ended 31 March 2022 and as at that date, its total liabilities exceeded its total assets by USD 1,315,519,984 (2021: USD 1,283,576,020) and its current liabilities exceeds its current assets by USD 414,089,984 (2021: USD 378,609,601).

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 18 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**

The directors do not expect any significant Impact of COVID 19 considering the events upto the date of signing as well.