BLOOM FOUNTAIN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS

BLOOM FOUNTAIN LIMITED
CORPORATE DATA

		Date of appointment
DIRECTORS:	Mr. Arun Kumar	24-Apr-14
	ISLA Limited	31-Dec-14
ADMINISTRATOR AND REGISTERED AGENT:	Cim Corporate Services Ltd Les Cascades Building Edith Cavell Street Port Louis Mauritius	
REGISTERED OFFICE:	C/O Cim Corporate Services Ltd Les Cascades Building Edith Cavell Street Port Louis Mauritius	
BANKER:	Standard Chartered Bank (Mauritius) Limited 6th floor, Standard Chartered Tower 19-21, Bank Street Cybercity, Ebene 72201 Republic of Mauritius	
AUDITOR:	Deloitte 7th floor, Standard Chartered Tower 19-21 Bank Street Cybercity Ebene 72201 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 2016.

The principal activity of the Company is investment holding and to provide consultancy services.

RESULTS AND DIVIDEND

The Company's loss for the year ended 31 March 2016 is USD 230,824,692 (2015:Profit of USD 2,272,853).

The directors do not recommend the payment of dividend for the year ended 31 March 2016 (2015: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL

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 apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, 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

In the auditors rotation process, scheduled in the next Annual General Meeting, the existing auditors, Deloitte Mauritius shall be replaced by a new auditor for audit of the next financial year.

Deloitte.

7th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the shareholder of Bloom Fountain Limited

This report is made solely to the company's shareholder, as a body. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Bloom Fountain Limited (" the company") on pages 4 to 25 which comprise the statement of financial position at 31 March 2016 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 a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 4 to 25 give a true and fair view of the financial position of **Bloom Fountain Limited** as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte

Deloitte
Chartered Accountants

Pradeep Malik, FCA
Licensed by FRC

15 June 2016

BLOOM FOUNTAIN LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2016

	Notes	2016 USD	2015 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	1	133,033,444
Plant and equipment	6	-	24,925
Loan receivable	7	-	96,853,313
		1	229,911,682
Current assets			
Other receivables	8	479,423	469,095
Cash at bank		96,648	20,946
Total current assets		576,071	490,041
TOTAL ASSETS		576,072	230,401,723
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	1,000,001	1,000,001
(Accumulated losses)/retained earnings		(225,897,205)	4,927,487
Total (Shareholder's deficit)/equity		(224,897,204)	5,927,488
NON- CURRENT LIABILITIES			
Borrowings	10	3,141,419	-
Optionally Convertible Redeemable Preference Shares	11	222,040,000	222,040,000
Total non current liabilities		225,181,419	222,040,000
Current liabilities			
Borrowings	10	-	2,300,000
Other payables	12	291,857	134,234
Total current liabilities		291,857	2,434,234
TOTAL EQUITY AND LIABILITIES		576,072	230,401,723

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

27 APR 2016

....)
)
....) **DIRECTORS**

for and on behalf of ISLA NID

The notes on pages 8 to 25 form an integral part of these financial statements
Independent Auditor's report on page 3

BLOOM FOUNTAIN LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 USD	2015 USD
REVENUE		11,457	150,484
INTEREST INCOME	13	1,950,562	2,376,176
ADMINISTRATIVE EXPENSES		(35,870)	(157,562)
DEPRECIATION ON PLANT AND EQUIPMENT		(276)	(3,312)
PROVISION FOR IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES	5	(133,103,674)	-
PROVISION FOR IMPAIRMENT OF LOAN RECEIVABLE	7	(99,478,644)	-
FINANCE COSTS	14	(168,247)	(92,933)
(LOSS) / PROFIT FOR THE YEAR	15	(230,824,692)	2,272,853
TAXATION	16	-	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(230,824,692)	2,272,853

BLOOM FOUNTAIN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Stated capital USD	(Accumulated losses)/ Retained earnings USD	Total USD
At 1 April 2014	1,000,001	2,654,634	3,654,635
Profit for the year and total comprehensive income	-	2,272,853	2,272,853
At 31 March 2015	**1,000,001**	**4,927,487**	**5,927,488**
Loss for the year and total comprehensive loss	-	**(230,824,692)**	**(230,824,692)**
At 31 March 2016	**1,000,001**	**(225,897,205)**	**(224,897,204)**

The notes on pages 8 to 25 form an integral part of these financial statements
Independent Auditor's report on page 3

BLOOM FOUNTAIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 USD	2015 USD
Operating activities			
Net cash used in operating activities	17	(31,976)	(163,766)
Investing activities			
Proceeds from sale of plant and equipment		11,259	-
Loan to subsidiary		(745,000)	(8,840,000)
Net cash used in investing activities		(733,741)	(8,840,000)
Financing activities			
Proceeds from borrowings		841,419	2,300,000
Share application monies received		-	6,700,000
Net cash generated from financing activities		841,419	9,000,000
Net increase/ (decrease) in cash and cash equivalents		75,702	(3,766)
Cash and cash equivalents at 1 April		20,946	24,712
Cash and cash equivalents at 31 March		96,648	20,946
Cash and cash equivalents consist of:			
Cash at bank		96,648	20,946

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. REPORTING ENTITY AND BUSINESS ACTIVITY

Bloom Fountain Limited (The "Company") was incorporated in Mauritius as a private company under the Mauritius Companies Act 2001 on 23 June 2011 and was licenced as a Category 2 Global Business Company on 24 June 2011. The Company's registered office address at c/o Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The Company's principal activity is investment holding and to provide consultancy services.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2015.

2.1 New and Revised Standards applied with no material effect on the financial statements

The following relevant new and revised Standards have been applied in these financial statements. Their application has not had any material impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)

2.2 Relevant new and revised Standards in issue not yet effective

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

IAS 1	Presentation of Financial Statements - Amendments resulting from the Disclosure Initiative (effective 1 January 2016)
IAS 7	Statement of Cash flows - Amendments as a result of Disclosure Intitiative (effective 1 January 2017)
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017)
IAS 27	Separate Financial Statements - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the "own use" scope exception (effective 1 January 2018).
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONT'D)

2.2 Relevant new and revised Standards in issue not yet effective (Cont'd)

IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 annual improvement to IFRS (effective 1 January 2016)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective date has been deferred indefinitely).
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of the consolidated exception (effective 1 January 2016)

The directors anticipate that these Standards and Interpretation will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards ("IFRSs").

(b) Basis of preparation

These separate financial statements have been prepared under the historical cost convention. The financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate in the forseeable future.

(c) Functional and presentation currency

The financial statements of the Company are presented in the United States Dollars ("USD"). The Company's functional currency is USD, the currency of the primary economic environment in which the Company operates.

(d) Comparative figures

Comparative figures have been regrouped where necessary, to conform the current year's presentation.

(e) Use of estimates and judgements

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

3. BASIS OF PREPARATION (CONT'D)

(e) Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future year affected.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising are dependent on the functional currency selected. The directors have determined that the functional currency of the Company is the United States Dollars (USD) as the transactions are in USD.

Impairment of investments

Determining whether investments in unquoted companies are impaired requires an estimation of the value in use of those investments. The value in use calculation requires the directors to estimate the future cash flows expected to arise from these investments and a suitable discount rate in order to calculate present value. The actual results could, however, differ from the estimates.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance and comply with International Financial Reporting Standards. A summary of the most important accounting policies, which have been applied consistently, is set out below.

(a) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate on that date. Foreign currency differences arising on retranslation are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Revenue recognition

Revenues earned by the Company are recognised on the following basis:-

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Revenue recognition (cont'd)

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(b) Revenue recognition

Consultancy fees

Consultancy fees are recognised on an accrual basis in accordance with the substance of the relevant agreement, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

(c) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment.

Fixed term interest free loan made to the subsidiary is recognised initially at fair value, estimated by discounting the future loan repayment using a rate based on the rate the borrower would pay to an unrelated lender for a loan with similar condition. The loan is reduced by the total discount at initial recognition and is subsequently measured at amortised cost using the effective interest method.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Impairment of financial assets

The Company's financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Derecognition of financial assets (cont'd)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Compound instruments (cont'd)

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

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised costs using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Accounting policy on investment in subsidiary

Investments in subsidiary is stated at cost. Any impairment in the value of the investment is recognised by reducing the carrying amount of the investment to its recoverable amount and charging the difference to profit or loss.

On disposal of an investment the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

The total discount or premium on fixed term interest free loan is treated as capital contribution and is included in the carrying amount of investment in the subsidiary. The discount on the loan is unwound over the year of the loan and is included in profit or loss as interest income or expense.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(g) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Motor Vehicle - 10% per annum

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) Borrowing costs

Borrowing costs are recognised in profit or loss in the year in which they are incurred.

(i) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Related parties

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

(k) Consolidated financial statements

The Company has taken advantage of paragraph 4(a) of International Financial Reporting Standard "IFRS 10 - Consolidated Financial Statements", which dispenses it from the need to present consolidated financial statements. The Company is a wholly owned subsidiary of Vedanta Limited, which is itself a wholly owned subsidiary of Vedanta Resources Plc. The registered office of Vedanta Resources Plc which prepares consolidated financial statements, available for public use and comply with International Financial Reporting Standards is 5th Floor, 6 St Andrew Street, London, EC4A 3AE. and at www.vedantaresources.com

5. INVESTMENTS IN SUBSIDIARIES

WESTERN CLUSTER LIMITED

	2016 USD	2015 USD
Balance at 1 April	133,033,443	130,547,286
Deemed capital contribution	70,231	2,486,157
Balance	133,103,674	133,033,443
Less : Impairment charges	(133,103,674)	-
Balance at 31 March	-	133,033,443

TWIN STAR ENERGY HOLDINGS LTD.

	2016 USD	2015 USD
Balance at 1 April	1	1
Addition during the year	-	-
Balance at 31 March	1	1
Total	1	133,033,444

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the investments held at 31 March 2016 and 2015 are provided below:

Subsidiary	Principal Activity	Country of Incorporation	Type of Shares	No of Shares Held 2016	No of Shares Held 2015	% Holding 2016	% Holding 2015	Carrying Value 2016 USD	Carrying Value 2015 USD
Western Cluster Limited	Mining	Liberia	Ordinary shares	100	100	100%	100%	-	123,500,000
Twin Star Energy Holdings Ltd.	Investment Holding	Mauritius	Ordinary shares	60,010	60,010	100%	100%	1	1

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 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 and the loan receivable has been impaired.

6 PLANT AND EQUIPMENT

	Motor Vehicl USD
COST	
At 1 April 2014	34,861
Additions	-
Disposal	-
At 31 March 2015	34,861
Additions	-
Disposal	(34,861)
At 31 March 2016	-
DEPRECIATION	
At 1 April 2014	6,624
Additions	3,312
Disposal	-
At 31 March 2015	9,936
Charge for the year	276
Disposal	(10,212)
At 31 March 2016	-
NET BOOK VALUE	
At 31 March 2015	24,925
At 31 March 2016	-

Plant and equipment consists of a vehicle which is depreciated on a straight line basis over 10 years, with a residual value of 5%.

7 LOAN RECEIVABLE

	2016 USD	2015 USD
Balance at 1 April	96,853,313	88,123,294
Loan advanced to subsidiary	745,000	8,840,000
Notional interest expense	(70,231)	(2,486,157)
Amount unwound during the year	1,950,562	2,376,176
Balance before impairment	99,478,644	96,853,313
Impairment of loan	(99,478,644)	-
Balance at 31 March	-	96,853,313

The loan receivable from Western Cluster Limited has been fully impaired due to reasons as stated in note 5.

8 OTHER RECEIVABLES

	2016 USD	2015 USD
Amount due from subsidiary (Western Cluster Limited)	478,864	467,407
Other prepaid expenses	559	1,688
	479,423	469,095

Amount receivable from Western Cluster Limited is towards consultancy fees and advances and the director believe that this will be received in next twelve months.

9 STATED CAPITAL

Issued and Fully Paid	2016 USD	2015 USD
1,000,001 Ordinary shares of USD 1	1,000,001	1,000,001

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

10 BORROWINGS

	2016 USD	2015 USD
Current		
At 1 April	2,300,000	-
Addition	841,419	2,300,000
Reclassified to non-current	(3,141,419)	
At 31 March	-	2,300,000
Non Current		
Reclassified from current	3,141,419	-
At 31 March	3,141,419	-

During the year ended 31 March 2016, the Company has taken an additional loan of USD 841,419 from THL Zinc Ltd. The loan is unsecured, bears interest at the rate of 2.6% per annum and is repayable by 28 February 2018.

There has been a change in the repayment terms of this loan from maturity date of February 2016 to February 2018 and hence it is reclassified from current borrowings to non current borrowings.

11 OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS") AND SHARE APPLICATION MONIES

	OCRPS USD	Share Application Monies USD	Total USD
At 1 April 2014	206,240,000	9,100,000	215,340,000
Addition	-	6,700,000	6,700,000
Allocation	15,800,000	(15,800,000)	-
At 31 March 2015	222,040,000	-	222,040,000
At 31 March 2016	222,040,000	-	222,040,000

The movement in the number of 0.25% Optionally Redeemable Preference Shares issued as at 31 March 2016 is as follows:

	OCRPS of USD 1 each and premium of USD 99	OCRPS of USD 100 each	Number of shares
At 31 March 2014	1,859,900	202,500	2,062,400
Issued during the year	-	158,000	158,000
At 31 March 2015	1,859,900	360,500	2,220,400
Issued during the year	-	-	-
At 31 March 2016	1,859,900	360,500	2,220,400

Each Optionally Redeemable Preference Shares can be converted at the option of the investor into variable number of equity shares 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.

The Directors have confirmed that the OCRPS will not be redeemed within the next twelve months as from the date of this financials statements.

Share application monies represent advance payments from the shareholder to subscribe for Optionally Convertible Redeemable Preference Shares ("OCRPS").

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2016

12 OTHER PAYABLES

	2016 USD	2015 USD
Audit fees	4,025	4,025
Management consultancy	-	10,624
Accrued interest on Optionally Convertible	200,522	105,762
Interest payable	87,310	13,823
	291,857	134,234

13 INTEREST INCOME

	2016 USD	2015 USD
Notional interest income	1,950,562	2,376,176
	1,950,562	2,376,176

This relates to the notional interest income on the interest free loan made to the subsidiary, unwound during the year.

14 FINANCE COSTS

	2016 USD	2015 USD
Interest on borrowings	73,487	13,823
Interest on Optionally Convertible Redeemable Preference Shares	94,760	79,110
	168,247	92,933

15 (LOSS)/PROFIT FOR THE YEAR

	2016 USD	2015 USD
(Loss)/profit for the year is arrived at after charging:		
- Licence fee	330	235
- Audit fees	6,900	11,500
- Depreciation on plant and equipment	276	3,312
- Loss on sale of plant and equipment	13,390	-
- Professional	14,069	137,723

16 TAXATION

The Company is a "Category 2 Global Business Licence Company" and is not liable to tax in Mauritius.

17 NET CASH USED IN OPERATING ACTIVITIES

	2016 USD	2015 USD
(Loss) / Profit for the year	(230,824,692)	2,272,853
Provision for impairment of investment in subsidiary	133,103,674	-
Provision for impairment of loan receivable	99,478,644	-
Interest income	(1,950,562)	(2,376,176)
Depreciation on plant and equipment	276	3,312
Loss on sale of plant and equipment	13,390	-
Changes in working capital:		
Increase in other receivables	(10,329)	(149,922)
Increase in other payables	157,623	86,167
Cash used in operations	(31,976)	(163,766)

18 HOLDING, INTERMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Vedanta Limited. The intermediate holding company is Vedanta Resources Holdings Ltd, a company established in the United Kingdom and listed on the London Stock Exchange. The ultimate holding company is Volcan Investments Limited, a company established in the Bahamas.

19 FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of cash at bank, other receivables and other payables approximate their fair values.

	2016 USD	2015 USD
Financial assets		
Loan receivable	-	96,853,313
Other receivables	478,864	467,407
Cash at bank	96,648	20,946
	575,512	97,341,666
Financial liabilities		
Other payables	291,857	134,234
Borrowings	3,141,419	2,300,000
Optionally Convertible Redeemable Preference Shares	222,040,000	222,040,000
	225,473,276	224,474,234

Currency profile

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

	Financial assets 2016 USD	Financial liabilities 2016 USD	Financial assets 2015 USD	Financial liabilities 2015 USD
United States Dollars	575,512	225,473,276	97,341,666	224,474,234

For the year ended 31 March 2016 and 31 March 2015, the Company does not have any exposure to foreign currencies. Therefore, sensitivity relative to foreign currencies has not been disclosed.

19 FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

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

(b) Interest rate risk

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. Any excess cash and cash equivalents of the Company are invested in short-term time deposits and liquid funds.

The Company is not exposed to significant interest rate risk, hence, no interest rate sensitivity analysis has been presented in the financial statements.

(c) Credit risk

The Company is exposed to credit risk in relation to the unsecured, interest free loan advanced to the subsidiary. The Company manages credit risk through tight control over the subsidiary's utilisation of the loan and regular impairment testing.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

During the year under review, the directors have agreed that the OCRPS will not be redeemed within next twelve months as from the reporting date.

(e) Currency risk

The Company has not transacted in foreign currencies other than its functional and presentation currency which is the USD. Therefore, the Company is not exposed to foreign currency risk.

19 FINANCIAL RISK MANAGEMENT

(d) Liquidity risk (Cont'd)

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

	Less than 1 year	More than 1 year	Total
	USD	USD	USD
31 March 2016			
Liabilities			
Borrowings	-	3,141,419	3,141,419
Optionally Convertible Redeemable Preference Shares	-	222,040,000	222,040,000
Other payables	291,857	-	291,857
	291,857	225,181,419	225,473,276
31 March 2015			
Liabilities			
Borrowings	2,300,000	-	2,300,000
Optionally Convertible Redeemable Preference Shares	-	222,040,000	222,040,000
Other payables	134,234	-	134,234
	2,434,234	222,040,000	224,474,234

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of stated capital and net debt.

(f) Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instrument are disclosed in note 4 to the financial statements.

20 RELATED PARTY TRANSACTIONS

During the period from 1 April 2015 to 31 March 2016, the Company traded with certain related parties. The nature and volume of transactions with the entities are as follows:

Name of Company	Nature of transaction	2016 USD	2015 USD
Transactions			
Western Cluster Limited	Consultancy services	11,457	150,484
	Additional loan given	745,000	8,840,000
	Notional interest expense	(70,231)	(2,486,157)
	Amount unwound during the year	1,950,562	2,376,176
THL Zinc Ltd	Additional loan taken	841,419	2,300,000
	Interest expenses	73,487	13,823
Vedanta Limited	Interest on Optionally Convertible Redeemable Preference Shares	94,760	79,110
	Issue of OCRPS	-	15,800,000
	Allocation of Share application monies	-	(9,100,000)
Outstanding balances			
Western Cluster Limited	Loan receivable	-	101,130,000
	Other receivable	478,864	467,407
THL Zinc Ltd	Loan payable	3,141,419	2,300,000
	Interest payable	87,310	13,823
Vedanta Limited	Optionally Convertible Redeemable Preference Shares	222,040,000	222,040,000
	Accrued interest on Optionally Convertible Redeemable Preference Shares	200,522	105,762

Other related party transactions

CIM Corporate Service Ltd performs certain administration and related services for the Company.

A sum amounting to USD 2,565 (2015: USD 2,250) which includes director fees of USD 750 (2015: USD 750) was expensed during the year in respect of the aforesaid services.

Compensation to key management personnel

No compensation to key management personnel was paid during the year (2015: Nil).

21 GOING CONCERN

At 31 March 2016, the Company had a loss and total comprehensive loss of USD 230,824,692 (2015: Profit and total comprehensive income of USD 2,272,853) and shareholder's deficit of USD 224,897,205 (2015: shareholder's equity USD 5,927,486).

The intermediate holding company, Vedanta Limited (formerly known as Sesa Sterlite Limited), has taken the below steps to ensure going concern for the Company for the next twelve months:

- On 13 April and 22 April 2016, Vedanta Limited has infused USD 950 million in the Company via subscription to Equity Share capital.
- Repayment of current group loans amouting USD 3,141,419 have been extended up to February 2018.

Based on the above facts, the financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the next twelve months as from the audit report date.

22 EVENTS AFTER THE REPORTING PERIOD

Vedanta Limited (Immediate Holding Company) has invested USD 950 Million into the Company by way of subscribing to the Equity share capital.

The Company has used the USD 950 Million to invest in Twin Star Mauritius Holdings Ltd. by way of 0% Redeemable Preference Shares (RPS). These preference shares are redeemable after 3 years and have been guaranteed by its intermediate holding company, Vedanta Resources Plc.

APPENDIX

BLOOM FOUNTAIN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 USD	2015 USD
REVENUE			
Consultancy fees		11,457	150,484
INTEREST INCOME	13	1,950,562	2,376,176
ADMINISTRATIVE EXPENSES			
Licence fee		330	235
Registered agent and registered office fee		-	3,163
Professional fee		14,069	137,723
ROC fees		-	65
Depreciation		276	3,312
Bank charges		1,181	3,676
Accounting fee		-	1,200
Audit fee		6,900	11,500
Loss on sale of plant and equipment		13,390	-
		(36,146)	(160,874)
Provision for impairment of investment in subsidiaries	5	(133,103,674)	-
Provision for impairment of loan receivable	7	(99,478,644)	-
FINANCE COSTS	14	(168,247)	(92,933)
(LOSS) / PROFIT FOR THE YEAR	15	(230,824,692)	2,272,853