BLOOM FOUNTAIN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS | PAGES

BLOOM FOUNTAIN LIMITED

CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS:	Mr. Arun Kumar	24 April 2014	15 Feb 2018
	ISLA Limited	31 Dec 2014	-
	Mr. Arvind Giri	15 Feb 2018	31 May 2018

ADMINISTRATOR & SECRETARY:

SGG Corporate Services (Mauritius) Ltd
(formerly known as CIM CORPORATE SERVICES LTD)
33, Edith Cavell Street
Port Louis, 11324
Mauritius

REGISTERED OFFICE:

C/o SGG Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
Mauritius

AUDITOR:

Ernst & Young
9th Floor, NeXTeracom Tower I
Cybercity
Ebène
Mauritius

BANKER:

Standard Chartered Bank (Mauritius) Limited
Units 6A & 6B
6th 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 2018.

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 2018 is USD 1,054,924 (2017:USD 203,118).

The directors do not recommend any payment of dividend for the year ended 31 March 2018. (2017: Nil).

SIGNIFICANT EVENT DURING THE YEAR

During the year, 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.
- In the previous year 2016-17, the Company had subscribed to USD 2,200,000,000 worth redeemable preference shares (RPS) of TSMHL 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.

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 for the reasons detailed in Note 5, the Company has written off its entire above investment net of impairment provision in TSMHL through equity.

During the year, the Company also subscribed to equity of USD 120,478, USD 34,392 and USD 28,411 of its subsidiaries, Twin Star Energy Holding Ltd (TSEHL), Sesa Sterlite Mauritius Holdings Ltd (SSMHL) and Twin star Mauritius Holdings Ltd (TMHL) respectively and instead of infusing cash for the equity shares, it took over the net liabilities of the Company of an equivalent amount. Post the above, both the subsidiaries, TSEHL & SSMHL filed for liquidation and consequently the Company has written of its investment in these subsidiaries in profit and loss.

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 automatically re-appointed at the next Annual Meeting.

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"), which comprise the statement of financial position as at 31 March 2018, 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 of the Company are prepared in all material respects, in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 2018 of USD 1,054,924 and, as at that date, the Company's total liabilities exceeded its total assets by USD 1,195,952,470. These conditions along with other matters set forth in note 20 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 Commentary of the Director, but 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 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 on the other information obtained prior to the date of this auditor's report, 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 (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards, as described in note 2 to the financial statements 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 intends 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 director's 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 (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Basis of Preparation and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the purpose of the financial statements and set out the basis of preparation. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the members of Bloom Fountain Limited and should not be distributed to or used by parties other than members of Bloom Fountain Limited.

Other matters

This report, including the opinion, has been prepared for and only for the members of Bloom Fountain Limited, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

ERNST & YOUNG
Ebène, Mauritius

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

Date: August 17, 2018

BLOOM FOUNTAIN LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2018

	Notes	2018 USD	2017 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**-**	2
Loan to related party	6	**845,000**	475,000
Total non-current assets		**845,000**	475,002
Current assets			
Other receivable	7	**485,441**	478,864
Cash and cash equivalents		**75,834**	3,568
Total current assets		**561,275**	482,432
Total assets		**1,406,275**	957,434
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	8	**2,201,000,001**	2,201,000,001
Accumulated losses		**(227,155,247)**	(226,100,323)
Other equity reserve	5	**(3,169,797,224)**	(2,200,000,000)
Shareholder’s deficit		**(1,195,952,470)**	(225,100,322)
Non-current liabilities			
Borrowings	9	**450,000**	3,536,419
Optionally Convertible Redeemable Preference Shares	10	**222,040,000**	222,040,000
Total non-current liabilities		**222,490,000**	225,576,419
Current liabilities			
Borrowings	9	**903,536,419**	-
Other payables	11	**71,332,326**	481,337
Total current liabilities		**974,868,745**	481,337
Total liabilities		**1,197,358,745**	226,057,756
Total equity and liabilities		**1,406,275**	957,434

Approved by the Board of Directors and authorised for issue on August 17, 2018.
and signed on its behalf by:

Director

Director

The notes on pages 12 to 30 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 2018

	Note	2018	2017
		USD	USD
EXPENSES			
Audit fees		**(7,200)**	(6,000)
Professional fees		**(1,250)**	(13,845)
Licence fees		**(65)**	(737)
Bank charges		**(1,351)**	(1,638)
		(9,866)	(22,220)
Investment written off	5	**(183,283)**	-
Net finance cost	12	**(861,775)**	(180,898)
Loss before taxation		**(1,054,924)**	(203,118)
Income tax expense	13	**-**	-
Loss for the year		**(1,054,924)**	(203,118)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(1,054,924)**	(203,118)

The notes on pages 12 to 30 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 2018

	Issued capital	**Accumulated losses**	**Other equity reserve**	**Total**
	USD	USD	USD	USD
At 1 April 2016	1,000,001	(225,897,205)	-	(224,897,204)
Issue of shares	2,200,000,000	-	-	2,200,000,000
Impairment of investment (Refer note no 5(a) and 5(b)	-	-	(2,200,000,000)	(2,200,000,000)
Loss for the year and total comprehensive loss	-	(203,118)	-	(203,118)
At 31 March 2017	2,201,000,001	(226,100,323)	(2,200,000,000)	(225,100,322)
At 1 April 2017	**2,201,000,001**	**(226,100,323)**	**(2,200,000,000)**	**(225,100,322)**
Issue of shares	**-**	**-**	**-**	**-**
Impairment of investment (Refer note no 5(a) and 5(b))	**-**	**-**	**(969,797,224)**	**(969,797,224)**
Loss for the year and total comprehensive loss	**-**	**(1,054,924)**	**-**	**(1,054,924)**
At 31 March 2018	**2,201,000,001**	**(227,155,247)**	**(3,169,797,224)**	**(1,195,952,470)**

The notes on pages 12 to 30 form an integral part of these financial statements.
Independent auditor’s report on pages 5 to 7.

BLOOM FOUNTAIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
		USD	USD
Net cash used in operating activities	14	**(7,734)**	(13,079)
Investing activities			
Acquisition of investment	5	**-**	(2,200,000,001)
Loan to subsidiary		**(370,000)**	(475,000)
Net cash used in investing activities		**(370,000)**	(2,200,475,001)
Financing activities			
Proceeds from borrowings		**450,000**	395,000
Proceeds from issue of shares		**-**	2,200,000,000
Net cash generated from financing activities		**450,000**	2,200,395,000
Net increase/ (decrease) in cash and cash equivalents		**72,266**	(93,080)
Cash and cash equivalents at the beginning of year		**3,568**	96,648
Cash and cash equivalents at end of year		**75,834**	3,568

The notes on pages 12 to 30 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 2018

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 licenced as a Category 2 Global Business Company on 24 June 2011. The Company's registered office address at c/o SGG 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. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

(b) Basis of preparation

The financial statements are prepared for the purpose of providing financial information to the members and have been prepared on a historical-cost basis and are denominated in United States Dollars ("USD").

(c) 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.

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. Therefore, management considers the USD as the currency that most represents the economic effects of the underlying transactions, events and conditions.

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 19 for more details.

Estimates and assumptions

At the reporting date, there were no key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Changes in accounting policies

In the current year, the Company has adopted, with effect from 01 April 2017, the following new and revised standards and interpretation. Their adoption has not had any significant impact on the amounts reported in the current year financial statements:

- IAS 7 Statement of Cash Flows: Narrow-scope amendments: The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. Refer Note 15 for details.

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses: These amendments on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.

- Annual Improvements to IFRSs 2014-2016 Cycle: Amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests. The application of this amendment has had no effect on the Company's financial statements as none of the Company's interests in these entities are classified, or included in a disposal group that is classified, as held for sale. Other amendments included in the above cycle, are not mandatorily effective and they have not been early adopted by the Company.

Accounting standards and interpretations issued but not yet effective

At the date of authorization of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 – Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9, Financial Instruments. The standard reduces the complexity of the current rules on financial instruments as mandated in IAS 39. IFRS 9 has fewer classification and measurement categories as compared to IAS 39. It eliminates the rule based requirement of segregating embedded derivatives from financial assets and tainting rules pertaining to held to maturity investments. For financial assets which are debt instruments, IFRS 9 establishes a principle based approach for classification based on cash flow characteristics of the asset and the business model in which an asset is held. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by- share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income on such equity investment would ever be reclassified to profit or loss. It requires the entity, which chooses to designate a liability as at fair value through profit or loss, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. IFRS 9 replaces the 'incurred loss model' in IAS 39 with an 'expected credit loss' model. The measurement uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The standard also introduces new presentation and disclosure requirements. The effective date for the adoption of IFRS 9 is annual periods beginning on or after 01 January 2018, though early adoption is permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company has substantially completed its assessment of the effects of transition to IFRS 9. The areas impacted on adopting IFRS 9 on the Company are detailed below. The Company does not expect any additional material effects being identified later in the implementation process.

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

-Classification and measurement: IFRS 9 establishes a principle based approach for classification of financial assets based on cash flow characteristics of the asset and the business model in which an asset is held. The fair value changes of some of the Company's financial assets may get recorded in the statement of other comprehensive income leading to changes in the profit after tax with consequent changes to the other comprehensive income.

- Impairment: Based on the Company's assessment, under expected credit loss model, the impairment of financial assets held at amortised cost is not expected to have a material impact on the Company's results, given the low exposure to counterparty default risk as a result of the credit risk management processes that are in place.

-Hedging: The Company does not have hedging arrangements, hence the implementation of IFRS 9 does not have impact on the Company in this respect.

IFRS 15 – Revenue from Contracts with Customers

Since, the Company does not have any revenue from contracts with customers, this standard is not applicable to the Company

IFRS 16 – Leases

Since, the Company does not have any leasing arrangements, this standard is not applicable to the Company

Amendments resulting from Annual Improvements to IFRSs 2014-2016 Cycle:

The amendments, comprising of changes in IFRS 1 and IAS 28 are effective for annual periods beginning on or after 01 January 2018, although entities are permitted to apply them earlier.

Amendments resulting from Annual Improvements to IFRSs 2015-2017 Cycle:

The amendments, comprising of changes in IFRS 3, IAS 12 and IAS 23 are effective for annual periods beginning on or after 01 January 2019, although entities are permitted to apply them earlier.

IFRIC 22: Foreign Currency Transactions and Advance Consideration:

The Interpretation, which was issued on 08 December 2016, addresses how to determine the date of a transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) when a related non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency is derecognised. The amendments are effective for annual periods beginning on or after 01 January 2018, although entities are permitted to apply them earlier, subject to EU endorsement.

IAS 40 Investment Property:

This standard is not applicable to the Company.

IFRS 2 Share-based Payment:

This standard is not applicable to the Company.

IFRS 4 Insurance Contracts:

This standard is not applicable to the Company.

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

IAS 28 Investments in Associates and Joint Ventures:

It is clarified here that an entity applies IFRS 9 to long-term interests in associates or joint ventures that form part of the net investment where the equity method is not applied. The amendments are effective for periods beginning on or after 01 January 2019.

IFRIC 23 Uncertainty over Income Tax Treatments:

This interpretation addresses the accounting for income taxes when there is uncertainty over income tax treatments that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.. The Interpretation is effective for annual reporting periods beginning on or after 01 January 2019.

IFRS 17 Insurance Contracts:

This standard is not applicable to the Company.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Functional and presentation currency

The directors consider 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, 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 statements are prepared in USD.

Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as fair value through profit or loss are included in profit or loss as part of the 'Net gain or loss on financial assets and liabilities at fair value through profit or loss'. Exchange differences on other financial instruments are included in profit or loss as 'Net foreign exchange gains/(losses)'.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. The specific recognition criteria described below must also be met before revenue is recognized.

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

(b) Revenue recognition (cont'd)

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

(c) Expense Recognition

Expenses are accounted for in profit or loss on an accrual basis.

(d) Financial Instruments

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

Initial Recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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.

The financial assets of the company comprises of loan to related party, other receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

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 period. 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 period, to the net carrying amount on initial recognition.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

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

(d) Financial Instruments (cont'd)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

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.

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

(d) Financial Instruments (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.

(e) Financial liabilities

Financial liabilities are classified as "other financial liabilities".

Other financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, 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 loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables, loans and borrowings and optionally convertible redeemable preference shares.

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

(e) Financial liabilities (cont'd)

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss 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 (if any) is included as finance costs in the statement of profit or loss.

Derecognition of financial liabilities

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 de recognition 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.

(f) 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 are shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

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 wholly owned by Vedanta Resources Plc. which prepares company accounts that comply with International Financial Reporting Standards and these are available for public use from the company secretary, Vedanta Resources Plc, 5th Floor, 6 St Andrew Street, London, EC4A 3AE and at www.vedantaresources.com.

(g) Property, plant and equipment

Property, 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 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 estimated accounted for on a prospective basis.

Motor vehicle – 10% per annum

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, 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.

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

(h) Impairment of non financial assets

At each reporting date, the company determines whether there is objective evidence that the investment in the assets is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value, and then recognises the loss in the statement of profit or loss. An asset's recoverable amount is the higher of an asset's or CGU's (cash generating units) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

(i) Borrowing costs

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

(j) 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.

(k) 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 current when it is:

• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
Expected to be realised within twelve months after the reporting period
Or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period
Or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities

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

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

5(a). INVESTMENTS IN SUBSIDIARIES

Western Cluster Limited

	2018	2017
	USD	USD
As at 1 April and 31 March	**-**	**-**

Twin Star Energy Holdings Limited

	2018	2017
	USD	USD
As at 1 April	**1**	1
Addition during the year	**120,478**	-
Investment written off (refer note below)	**(120,479)**	-
At 31 March	**-**	1

Sesa Sterlite Mauritius Holdings Limited

	2018	2017
	USD	USD
As at 1 April	**1**	-
Addition during the year	**34,392**	1
Investment written off	**(34,393)**	-
At 31 March	**-**	1

Twin Star Mauritius Holdings Limited – Redeemable Preference Shares

	2018	2017
	USD	USD
As at 1 April	**-**	**-**
Addition during the year		**2,200,000,000**
Impairment during the year (refer note below)	**2,200,000,000**	**(2,200,000,000)**
Converted to Equity (refer note below)	**(2,200,000,000)**	-
At 31 March	**-**	-

Twin Star Mauritius Holdings Limited

	2018	2017
	USD	USD
As at 1 April	**-**	**-**
Addition during the year	**3,169,825,635**	**-**
Written off during the year (refer note below)	**(3,169,825,635)**	**-**
At 31 March	**-**	-

During the year, 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.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

5(a). INVESTMENTS IN SUBSIDIARIES (CONT'D)

- 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.
- In the previous year 2016-17, the Company had subscribed to USD 2,200,000,000 worth redeemable preference shares (RPS) of TSMHL 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.

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 for the reasons detailed in Note 5(b), the Company has written off its entire above investment net of impairment provision in TSMHL through equity.

During the year, the Company also subscribed to equity shares of USD 120,478, USD 34,392 and USD 28,411 of its subsidiaries, Twin Star Energy Holding Ltd (TSEHL), Sesa Sterlite Mauritius Holdings Ltd (SSMHL) and Twin star Mauritius Holdings Ltd (TMHL) respectively and instead of infusing cash for the equity shares, it took over the net liabilities of the Company of an equivalent amount. Post the above, both the subsidiaries, TSEHL & SSMHL filed for liquidation and consequently the Company has written of its investment in these subsidiaries in the statement of profit and loss.

5 (b) The Company had invested in redeemable preference shares (RPS) of USD 2,200,000,000 issued by Twin Star Mauritius Holdings Limited (TSMHL), a wholly owned step down subsidiary of the Company. TSMHL was holding shares of Cairn India Limited ("Cairn India"), a fellow subsidiary of the Company. During the year 2016-17, the merger of Cairn India into another of the Company's intermediate holding company, Vedanta Limited ("Vedanta"), was substantially completed and was implemented in the month of April 2017 by allotment of shares of Vedanta to the shareholders of Cairn India. As per the terms of the Scheme of merger, Vedanta and its subsidiaries (including TSMHL) did not receive any consideration in lieu of their holding in Cairn India which stood extinguished upon the merger being implemented. Hence, the Company has made an impairment provision of USD 2,200,000,000 against the investment in RPS issued by TSMHL and the consequential effects have been carried through the statement of changes in equity.

Details of the investments held at 31 March 2018 and 2017 are provided below:

Subsidiary	Principal Activity	Country of Incorporation	Type of Shares	No of Shares Held		% Holding		Carrying Value	
				2018	2017	2018	2017	2018	2017
								USD	USD
Western Cluster Limited	Mining	Liberia	Ordinary shares	100	100	100%	100%	-	-
Twin Star Mauritius Holdings Limited	Investment Holding	Mauritius	Redeemable Preference Share	-	220,00,000	-	-	-	-
Sesa Sterlite Mauritus Holding Limited	Investment Holding	Mauritius	Ordinary shares	-	1	100%	100%	-	1
Twin Star Energy Holdings Ltd.	Investment Holding	Mauritius	Ordinary shares	-	60,010	100%	100%	-	1

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

5(b). INVESTMENTS IN SUBSIDIARIES (CONT'D)

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 and the loan receivable has been impaired.

6. LOAN TO RELATED PARTY

	2018	2017
	USD	USD
At 1 April	**475,000**	-
Additions during the year	**370,000**	475,000
At 31 March	**845,000**	475,000

Loan to Western Cluster Limited is interest free, unsecured and repayable in 5 years.

7. OTHER RECEIVABLE

	2018	2017
	USD	USD
Amount due from subsidiary (Western Cluster Limited)	**478,864**	478,864
Other receivables	**6,577**	-
	485,441	478,864

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

8. ISSUED CAPITAL

	2018	2017
	USD	USD
Issued and fully paid		
Ordinary Share of USD 1.00 each		
At 1 April	**2,201,000,001**	**1,000,001**
Issued during the year	**-**	**2,200,000,000**
At 31 March	**2,201,000,001**	**2,201,000,001**

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

9. BORROWINGS

	2018	2017
	USD	USD
Current		
At 1 April	**-**	-
Addition	**900,450,000**	395,000
Reclassified from/ (to) non-current	**3,086,419**	(395,000)
At 31 March	**903,536,419**	-

	2018	2017
	USD	USD
Non-Current		
At 1 April	**3,536,419**	3,141,419
Reclassified (to)/ from current	**(3,086,419)**	395,000
At 31 March	**450,000**	3,536,419

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

9. BORROWINGS (Cont'd)

(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 and is repayable by 28 February 2019 or such later day as may be agreed by the parties.

(ii) The Company has taken a loan of USD 450,000 from Cairn India Holding Ltd. The loan is unsecured, bears interest at the rate of three months Libor plus 250 basis points per annum and is repayable by 19 March 2021 or such later day as may be agreed by the parties.

(iii) During the year, the Company has been assigned a loan of USD 900,000,000 from Fujairah Gold FZE at an interest of 4% per annum. The repayment date has been extended to 1 January 2019.

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

There is no movement in the number of Optionally Redeemable Preference Shares during 2017-18.

	OCRPS of USD 1 each and premium of USD 99	**OCRPS of USD 100 each**	**Number of shares**
At 1 April 2016	1,859,900	360,500	2,220,400
At 31 March 2017	1,859,900	360,500	2,220,400
At 31 March 2018	**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.

11. OTHER PAYABLES

	2018	2017
	USD	USD
Audit fees	**41,950**	6,000
Management consultancy fees	**19,775**	4,026
Accrued interest on Optionally Convertible Redeemable preference shares	**390,058**	295,298
Payable to related parties	**142,880**	-
Interest payable	**70,737,663**	176,013
	71,332,326	481,337

12. NET FINANCE COST

	2018	2017
	USD	USD
Interest on borrowings	**767,015**	86,123
Interest on Optionally Convertible Redeemable Preference Shares	**94,760**	94,775
	861,775	180,898

13. TAXATION

The Company, being the holder of a Category 2 - Global Business Licence, is not liable to tax in Mauritius.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

14. NET CASH GENERATED USED IN OPERATING ACTIVITIES

	2018	2017
	USD	USD
Loss before tax	**(1,054,924)**	(203,118)
Adjustments for:		
Investment written off	**183,283**	-
Changes in working capital:		
Decrease/ (increase) in other receivables	**(6,577)**	559
Increase in other payables	**870,484**	189,480
Net cash used in operating activities	**(7,734)**	(13,079)

15. FINANCIAL INSTRUMENTS

Fair values

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

	Total
At 31 March 2018	**USD**
Financial assets	
Loan receivables	**845,000**
Other receivables	**485,441**
Cash and cash equivalents	**75,834**
Total financial assets	**1,406,275**
Financial liabilities	
Other payables	**71,332,326**
Borrowings	**903,986,419**
Optionally Convertible Redeemable Preference Shares	**222,040,000**
Total financial liabilities	**1,197,358,745**

	Total
At 31 March 2017	USD
Financial assets	
Loan receivables	475,000
Other receivables	478,864
Cash and cash equivalents	3,568
Total financial assets	957,432
Financial liabilities	
Other payables	481,337
Borrowings	3,536,419
Optionally Convertible Redeemable Preference Shares	222,040,000
Total financial liabilities	226,057,756

Currency profile

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

	Financial assets 2018	**Financial liabilities 2018**	**Financial assets 2017**	**Financial liabilities 2017**
	USD	**USD**	**USD**	**USD**
United States Dollars	**1,406,275**	**1,197,358,744**	957,432	226,057,756

The Company is not exposed to currency risk.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

15. FINANCIAL INSTRUMENTS (CONT'D)

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.

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

31 March 2018	**Interest bearing**	**Non-interest bearing**	**Total**
Assets			
Other receivables	-	485,441	485,441
Cash and cash equivalents	-	75,834	75,834
Total assets	**-**	**561,275**	**561,275**
Liabilities			
Borrowings – Non current	450,000	-	450,000
Borrowings – Current	903,536,419	-	903,536,419
Optionally Convertible Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	71,332,326	71,332,326
Total Liabilities	**1,126,026,419**	**71,332,326**	**1,197,358,745**

31 March 2017	**Interest bearing**	**Non-interest bearing**	**Total**
Assets			
Other receivables	-	478,864	478,864
Cash and cash equivalents	-	3,568	3,568
Total assets	**-**	**482,432**	**482,432**
Liabilities			
Borrowings – Non current	3,536,419	-	3,536,419
Borrowings – Current	-	-	-
Optionally Convertible Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	481,337	481,337
Total Liabilities	**225,576,419**	**481,337**	**226,057,756**

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 is not exposed to credit risk for the years ended 31 March 2018 and 2017.

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 Company's reputation. At 31 March 2018, the Company had financial liabilities of USD 1,197,358,744 (2017: 226,057,756), 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 75,834 (2017: USD 3,568), which is insufficient to finance the Company`s financial liabilities.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

15. FINANCIAL INSTRUMENTS (CONT'D)

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:

	Less than 1 year	**More than 1 year**	**Total**
	USD	**USD**	**USD**
31 March 2018			
Liabilities			
Borrowings	**450,000**	**903,536,419**	**903,986,419**
Optionally Convertible Redeemable Preference Shares	-	**222,040,000**	**222,040,000**
Other payables	**71,332,326**	**-**	**71,332,326**
	71,782,326	**1,125,576,419**	**1,197,358,744**
31 March 2017			
Liabilities			
Borrowings	-	3,536,419	3,536,419
Optionally Convertible Redeemable Preference Shares	-	222,040,000	222,040,000
Other payables	481,337	-	481,337
	481,337	225,576,419	226,057,756

Reconciliation of Liabilities arising from Financing Activities:

	Borrowings		**Interest payables**	
	Due within 1 year	**Due after 1 year**	**Due within 1 year**	**Due after 1 year**
At 1 April 2016	**-**	**3,141,419**	**287,832**	**-**
Cash flow	-	3,95,000	-	-
Other non-cash changes			183,479	
At 1 April 2017	**-**	**3,536,419**	**471,311**	**-**
Cash flow		450,000	-	-
Reclassification from Non-current to current	3,536,419	(3,536,419)	-	-
Other non-cash changes (1)	900,000,000	-	70,656,410	-
At 31 March 2018	**903,536,419**	**450,000**	**71,127,721**	**-**

(1) During the year, the Company has been assigned a loan of USD 900,000,000 from Fujairah Gold FZE at an interest of 4% per annum. The repayment date has been extended to 1 January 2019.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

15. FINANCIAL INSTRUMENTS (CONT'D)

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.

16. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2018, the Company transacted with certain related parties. The nature and volume of transactions with the entities are as follows:

Name of company	Relationship	Nature of Transaction	2018 USD	2017 USD
Transactions				
Western Cluster Limited	Subsidiary	Additional loan given	**370,000**	475,000
THL Zinc Ltd	Group Company	Additional loan taken	**-**	395,000
		Interest expenses	**92,015**	86,123
Vedanta Limited	Holding Company	Interest on Optionally Convertible Redeemable Preference Shares	**94,760**	94,775
Fujairah Gold FZE	Group Company	Interest expenses	**675,000**	**-**
Cairn India Holding Limited	Group Company	Loan taken	**450,000**	
Twin Star Mauritius Holdings Limited	Subsidiary Company	Advance taken	**350,000**	-
		Payment of Advance taken	**350,000**	-
		Conversion of Redeemable Preference shares into Convertible Preference shares	**2,200,000,000**	2,200,000,000
		Assignment of loan payable to Fujairah Gold FZE	**900,000,000**	-
		Assignment of accrued interest payable to Fujairah Gold FZE	**69,797,222**	-
		Conversion of recoverable amount into equity shares	**3,169,825,635**	-
Twin Star Energy Holdings Limited	Subsidiary Company	Investment in Equity Shares in lieu of net liabilities taken over	**120,478**	-
Sesa Sterlite Mauritius Holdings Limited	Subsidiary Company	Investment in Equity Shares in lieu of net liabilities taken over	**34,392**	-

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

16. RELATED PARTY TRANSACTIONS (cont'd)

Outstanding balances

Western Cluster Limited	Subsidiary	Other receivables (Refer note 7)	**478,864**	478,864
		Loan given	**845,000**	475,000
Vedanta Limited	Holding Company	Optionally Convertible Redeemable Preference Shares	**222,040,000**	222,040,000
		Accrued interest on Optionally Convertible Redeemable Preference Shares	**390,058**	295,298
THL Zinc Ltd	Group Company	Loan payables Refer note 9)	**3,536,419**	3,536,419
		Interest payable (Refer note 11)	**265,440**	176,013
		Other payable (Refer note 11)	**14,638**	-
Fujairah Gold FZE	Group Company	Loan payables Refer note 9)	**900,000,000**	-
		Interest payable (Refer note 11)	**70,472,222**	-
Cairn India Holding Limited	Group Company	Loan payables (Refer note 9)	**450,000**	-
Vedanta Resources Plc	Group Company	Other payables (Refer note 11)	**128,240**	-
THL Zinc Holding BV	Group Company	Other payables (Refer note 11)	**1**	-
Monte Cello BV	Group Company	Other payables (Refer note 11)	**1**	-

Compensation to Key Management Personnel

No compensation to key management personnel was paid during the year ended 31 March 2018 (2017: NIL).

Other related party transactions
Fees charged by management of the Company

	2018 USD	2017 USD
Transactions		
Total fees charged by management entity	**2,585**	2,565

Included in total fees charged by management entity, is an amount of USD 750 (2017: 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. 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.

18. GOING CONCERN

The Company incurred a net loss of USD 1,054,924 (2017: USD 203,118) for the year ended 31 March 2018 and as at that date, its total liabilities exceeded its total assets by USD 1,195,952,470 (2017: USD 225,100,322).

The directors have received a letter of support from Vedanta Limited, the 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 ultimate holding company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

19. EVENTS AFTER REPORTING PERIOD

There have been no material events after the reporting period, which would require disclosure or adjustment to the year ended 31 March 2018 financial statements.