CIG MAURITIUS PRIVATE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS **PAGES**

CIG MAURITIUS PRIVATE LIMITED

MANAGEMENT AND ADMINISTRATION

			Date of appointment	Date of resignation
DIRECTORS	:	Veronique Magny-Antoine	01 July 2008	-
		Nisha Proag-Dookun	26 March 2014	-
		Shameel Rumjaun *(Alternate to Veronique Magny-Antoine)*	25 November 2011	30 March 2018
		Pankaj Kalra	13 July 2016	05 April 2019
		Rishikesh Batoosam *(Alternate to Nisha Proag-Dookun)*	01 March 2018	02 March 2019
		Sharad Kothari	22 April 2019	-

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services (Mauritius) Limited
(formerly 'Abax Corporate Services Ltd')
6th floor, Tower A
1 CyberCity
Ebene
MAURITIUS

REGISTERED OFFICE : Ocorian Corporate Services (Mauritius) Limited
(formerly 'Abax Corporate Services Ltd')
6th floor, Tower A
1 CyberCity
Ebene
MAURITIUS

AUDITORS : Ernst & Young
9th Floor, Tower 1, NeXTeracom
Cybercity
Ebene
MAURITIUS

BANKERS : Standard Chartered Bank Mauritius Limited
6th Floor, Standard Chartered Tower
Cybercity
Ebene
Republic of Mauritius

CIG MAURITIUS PRIVATE LIMITED

COMMENTARY OF DIRECTORS

The directors are pleased to present their commentary together with the audited financial statements of CIG MAURITIUS PRIVATE LIMITED (the "Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activities of the Company is to act as an investment holding company and to provide services and resources relevant to oil and gas exploration, production and development.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 March 2019 is **USD 33,828** (31 March 2018: USD 27,857).

The directors do not recommend the payment of a dividend during the year under review (2018: USD Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance 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, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board 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.

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 and to enable them to ensure that the financial statements comply with the Companies Act 2001. 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.

The directors have made an assessment of the Company's ability to continue as going concern and have no reason to believe that the business will not be a going-concern in the year ahead.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically reappointed at the Annual Meeting, pursuant to Section 200 of Companies Act 2001.

By Order of the Board

ISABELLE ADRIEN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

19 JUN 2019

SECRETARY'S CERTIFICATE

TO THE MEMBER OF CIG MAURITIUS PRIVATE LIMITED

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the Directors and Shareholder of the Company, the Company has filed with the Registrar of Companies, for the Financial year ended 31 March 2019, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Dated 19 June 2019.

ISABELLE ADRIEN, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED

COMPANY SECRETARY

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIG MAURITIUS PRIVATE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CIG Mauritius Private Limited (the "Company") set out on pages 8 to 26 which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 14 to the financial statements, which indicates that the Company incurred a net loss for the year ended 31 March 2019 of USD 33,828 and, as at that date, the Company's total liabilities exceeded its total assets by USD 2,723. These conditions along with other matters set forth in note 14 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 Directors and the Secretary's Certificate as required by the Companies Act 2001, 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.

Responsibilities of the Directors for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIG MAURITIUS PRIVATE LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the 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.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIG MAURITIUS PRIVATE LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

ERNST & YOUNG
Ebène, Mauritius

Date: 19 JUN 2019

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

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	**2019 USD**	2018 USD
EXPENSES			
Administrative expenses		**32,243**	26,831
Finance cost		**1,585**	1,026
Total expenses		**33,828**	27,857
Loss before taxation	5	(**33,828**)	(27,857)
Income tax expense	7	-	-
Loss for the year		(**33,828**)	(27,857)
Other comprehensive income		-	-
Total comprehensive income for the year		(**33,828**)	(27,857)

The notes on pages 12 to 26 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	31 March 2019 USD	31 March 2018 USD
ASSETS			
Non current assets			
Investment in subsidiary	6	1	1
Current assets			
Other receivables	8	22,688	24,812
Cash and cash equivalents	9	10,172	16,492
		32,860	41,304
Total assets		32,861	41,305
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	10	234,244,455	234,244,455
Accumulated losses		(234,247,178)	(234,213,350)
(Shareholders' deficit) / total equity		(2,723)	31,105
LIABILITIES			
Current liabilities			
Other payables	11	35,584	10,200
Total equity and liabilities		32,861	41,305

Approved by the Board of Directors on 19 JUN 2019
and signed on its behalf by:

} **DIRECTORS**

The notes on pages 12 to 26 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Stated capital	Accumulated losses	Total
	USD	USD	USD
At 01 April 2017	234,194,455	(234,185,493)	8,962
Loss for the year	-	(27,857)	(27,857)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(27,857)	(27,857)
Transaction with owners of the Company:			
Issue of shares (Note 10)	50,000	-	50,000
At 31 March 2018	234,244,455	(234,213,350)	31,105
Loss for the year	-	(**33,828**)	(**33,828**)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(**33,828**)	(**33,828**)
Transaction with owners of the Company:			
Issue of shares (Note 10)	-	-	-
At 31 March 2019	**234,244,455**	(**234,247,178**)	(**2,723**)

The notes on pages 12 to 26 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	**Year ended 31 March 2019 USD**	Year ended 31 March 2018 USD
Cash flows from operating activities			
Net loss before taxation		**(33,828)**	(27,857)
Operating loss before working capital changes		**(33,828)**	(27,857)
Decrease in trade and other receivables		**2,124**	(1,614)
Increase in other payables and accruals		**25,384**	(5,758)
Net cash used in from operating activities		**(6,320)**	(35,229)
Cash flows from financing activities			
Proceeds from issue of share capital	10	-	50,000
Net cash flows from financing activities		-	50,000
Net (decrease)/ increase in cash and cash equivalents		**(6,320)**	14,771
Cash and cash equivalents at beginning of year		**16,492**	1,721
Cash and cash equivalents at end of year		**10,172**	16,492

The notes on pages 12 to 26 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

CIG Mauritius Private Limited ("the Company") is a private limited company incorporated on 01 July 2008, holds a Category 1 Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission and domiciled in Republic of Mauritius. The Company's registered office address is Ocorian Corporate Services (Mauritius) Limited (formerly 'Abax Corporate Services Ltd'), 6th Floor Tower A, 1 CyberCity Ebène, Republic of Mauritius.

The principal activities of the Company is to act as an investment holding company and to provide services and resources relevant to oil and gas exploration, production and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the separate financial statements of the Company.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and comply with Companies Act 2001. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The holding company has given a written undertaking to provide financial support to enable the Company to meet its liabilities as and when they fall due over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Change in accounting policies and disclosures

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the multiple classification and measurement models in IAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in accounting policies and disclosures (Continued)

New and amended standards adopted by the Company (Continued)

IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1 January 2018) (continued)

In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce:

A third measurement category fair value at other comprehensive income (FVOCI) for certain financial assets that are debt instruments.
A new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

The adoption of IFRS 9 did not have a significant impact on the Company's financial statements. The only financial assets held by the Company are cash and cash equivalents which has been measured at amortised cost.

The following standards, amendments and interpretations which are effective for the financial period beginning on 01 January 2018 are not relevant to the Company and therefore have no effect on the Company:

IFRS 15 – IFRS 15 Revenue from Contracts with Customers
IFRS 2 - Classification and Measurement of Share-based Payment Transactions
Annual Improvements 2014-2016 cycle
IAS 40 - Transfers to Investment Property
IFRIC 22 — Foreign Currency Transactions and Advance Consideration

The adoption of IFRS 15 'Revenue from Contracts with Customers' and other minor changes to IFRS's applicable for the year ended 31 March 2019 do not have a significant impact on the Company's financial statements.

New and amended standards and interpretations in issue but not adopted by the Company

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the new standards, amendments and interpretations to standards are expected to have a significant impact on the Company's financial statements.

IFRS 16 - Leases (effective for accounting periods beginning on or after 01 January 2019)
IFRS 17 - Insurance Contracts (effective for accounting periods beginning on or after 01 January 2019)
IFRC 23 - Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019)
Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for accounting periods beginning on or after 01 January 2019)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The financial statements are presented in United States Dollars (USD), which is the functional and presentation currency of the Company. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. The current income tax charge is calculated on the basis of the laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investment in subsidiary

A subsidiary is an entity that is controlled by another entity. Control is determined when the entity is exposed, or has the rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiary is 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 comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated financial statements

The Company owns 100% of the issued share capital of Cairn Lanka (Private) Limited, a company incorporated in Sri Lanka. The Company itself is ultimately owned by Volcan Investment Limited, a company incorporated Bahamas. The Company has taken advantage of paragraph 4 of International Financial Reporting Standard ("IFRS") 10, Consolidated Financial Statements, which dispenses it of the need to present consolidated financial statements, as its intermediate parent, Vedanta Resource Limited, prepares consolidated financial statements in accordance with IFRS which are available for public use or measures its investment in subsidiaries at fair value through profit or loss in accordance with IFRS 10. The registered office of Vedanta Resource Limited, the intermediate parent which presents consolidated IFRS financial statements, 2nd Floor, Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ. These are therefore the separate financial statements of the Company.

Financial instruments

Policy applicable before 1 January 2018

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments carried on the statement of financial position include loan receivable, trade and other receivables, cash and cash equivalents and other payables. The particular recognition methods adopted are disclosed below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

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 profit or loss.

Loans and receivables comprise of loan receivable; and cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash comprises cash at bank. For the purpose of cash flows, cash and cash equivalents consist of cash at bank net of any bank overdraft if applicable, with a maturity of three months or less.

Other payables

Other payables are stated at their nominal value.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Gains or losses arising on derecognition of financial and liabilities are recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Policy applicable before 1 January 2018 (Continued)

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognised in profit or loss.

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, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Policy applicable after 1 January 2018

Financial assets

(a) Classification and initial measurement

From 1 January 2018, IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items and therefore an entity classifies its financial assets in the following measurement categories, as set out in IFRS 9:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

An entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At initial recognition, an entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (Continued)

(a) Classification and initial measurement (Continued)

The adoption of IFRS 9 did not have a significant impact on the Company's financial statements. The only financial assets held by the Company are cash and cash equivalents which has been measured at amortised cost.

(b) Subsequent measurement

Financial assets at amortised cost

The Company's only financial assets at amortised cost includes cash and cash equivalents which are subsequently measured as follows:

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Impairment of financial assets

As per IFRS 9, there are three types of financial assets that are subject to the expected credit loss model:

trade receivables for sales of inventory and from the provision of consulting services
debt investments carried at amortised cost, and
debt investments carried at FVOCI.

The Company's financial assets consist of cash and cash equivalents only. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial liabilities

(a) 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 accounts payables, net of directly attributable transaction costs.

The Company's financial liabilities include only accounts payables.

(b) Subsequent measurement

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

Other payables

These amounts represent liabilities services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Subsequent measurement (Continued)

Other payables (Continued)

There has been no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

Impairment of non financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's value in use and its fair value less costs to sell, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

Expense recognition

Expenses are accounted for in the statement of comprehensive income on the accruals basis.

Share capital

Ordinary shares are classified as equity.

Related party transactions

Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party and/or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or other entities including management companies.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgement

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:

Going concern

The Company's directors have made an assessment of the Company's ability to continue as a going concern and have no intention to liquidate the Company. Furthermore, the holding company has given a written undertaking to provide financial support to enable the Company to meet its liabilities as and when they fall due over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said 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 measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's profit or loss 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.

(i) Price risk

Equity price risk is the risk of unfavorable changes in fair values of equities as a result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company has no significant exposure to interest-rate risk as it has no interest-bearing financial assets and liabilities.

(iii) Currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has financial liabilities denominated in currencies other than USD. Consequently, the Company is exposed to the risk that the exchange rate of the foreign currencies relative to USD may change in a manner, which has a material effect on the reported value of the Company's financial instruments which are denominated in other currencies.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk factors(continued)

Sensitivity analysis

As at 31 March 2019, if EURO has weakened/strengthened by 5% against the United Stated Dollar (USD), with all other variables held constant, pre-tax profit for the year would decrease or increase by USD 1,313, mainly as a result of foreign exchange losses/gains on translation of EURO denominated financial assets and/or liabilities.

Currency risk sensitivity analysis

The following demonstrates the sensitivity to a reasonably possible change of 5% in the foreign exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Increase/decrease in foreign exchange rate	**Effect on profit before tax Year ended 2019**	Effect on profit before tax Year ended 2018
		USD	USD
Depreciation of USD v/s EURO	**+5%**	(**1,313**)	(542)
Appreciation of USD v/s EURO	**-5%**	**1,313**	542

Currency profile

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

	Financial assets 2019	**Financial liabilities 2019**	Financial assets 2018	Financial liabilities 2018
	USD	**USD**	USD	USD
Euro	-	**30,754**	-	5,370
United States dollars (USD)	**32,860**	**4,830**	39,180	4,830
	32,860	**35,584**	39,180	10,200

Prepayments amounting to **USD Nil** (31 March 2018 - USD 2,124) have not been included in financial assets.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, loan receivable, and trade and other receivables, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Cash transactions are limited to high credit quality financial institutions. The Company's policy is to maintain cash balances with a reputable banking institution and to monitor the placement of cash balances on an ongoing basis. As at 31 March 2019, all cash balances were placed with Standard Chartered Bank Mauritius Limited, the approved banker of the Company. There was no concentration of credit risk as at the reporting date.There was no concentration of credit risk as at the reporting date.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company pays out its obligations from equity finance and funds received from the sole shareholder, CIG Mauritius Holdings Limited. The Company is therefore not exposed to liquidity risk.

All financial liabilities of the Company outstanding at year end are payable on demand due to their short term nature.

Fair values

The directors assessed that the fair values of cash and cash equivalents, other receivables and other payables approximate their carrying amounts largely due to short-term maturities of these instruments.

Capital management

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

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

There have been no changes in the Company’s objectives, policies and processes for managing capital from the previous year. No changes were made in the objectives, policies and processes for managing capital during the year ended 31 March 2019 and 2018.

Categories of financial instruments

	2019	2018
	USD	USD
Financial asset at amortised cost		
Cash and cash equivalents	**10,172**	16,492
Amount receivable from holding company	**22,687**	22,687
Loan receivable from subsidiary company	**1**	1
	32,860	39,180

	USD	USD
Other financial liabilities at amortised cost		
Accruals	**35,584**	10,200

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

5. LOSS BEFORE TAXATION

	2019	2018
	USD	USD
The loss before taxation is stated after charging:		
Secretarial and administration fees	**15,176**	12,927
Audit fees	**4,255**	3,968
Accounting fees	**4,263**	3,204
Tax fees	**1,009**	863
Directors' fees	**3,458**	3,703
Licence fees	**1,972**	2,166
Finance costs	**2,066**	1,026
Domiciliation and compliance	**1,442**	-
Disbursement	**314**	-
Registration fees	**354**	-
	34,309	27,857

6. INVESTMENT IN SUBSIDIARY

	2019	2018
	USD	USD
Carrying amount:		
At 01 April and 31 March	**1**	1

Details of the investment in subsidiaries are as follows:

Name of company	**% holding 2019**	2018	**Country of incorporation**	**2019 USD**	2018 USD
Cairn Lanka (Pvt) Limited	**100**	100	Sri lanka	**1**	1

The principle activity of the subsidiary is that of oil and gas exploitation. The company is incorporated in Sri Lanka.

7. INCOME TAX

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15% (2018:50%). The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% (2018:80%) of the Mauritian tax on the relevant foreign sourced income. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax. The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

7. INCOME TAX (CONTINUED)

Regulatory

The Financial Services Commission ("FSC") issued a Category 1 Global Business Licence ("GBL1") to the company on [to insert date]. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019. Instead, the FSC may issue a Global Business Licence ("GBL") if the company satisfies certain conditions. The company will be deemed to hold a GBL as from 1 July 2021 under section 96A(1)(b) of the FSA.

Tax

As from 1 July 2021, the company will not be allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the company may apply a partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the partial exemption is computed at 80% of the relevant foreign sourced income. The partial exemption is not mandatory: the company may apply the credit system if it so wishes.

At 31 March 2019, the Company had tax losses of **USD 155,028** (2018: USD 168,489) and is therefore not liable to income tax. The tax losses are available for set off against future taxable profit of the Company as follows:

Up to the year ending:	**USD**
31 March 2020	36,605
31 March 2021	30,087
31 March 2022	26,651
31 March 2023	27,857
31 March 2024	33,828
	155,028

Tax losses of **USD 47,289** (2018: 43,517) have lapsed during the year under review.

Tax reconciliation:

A numerical reconciliation between the accounting loss and the actual income tax expense is shown as follows:

	2019 USD	2018 USD
Net loss for the year before taxation	(**33,828**)	(27,857)
Tax @ 15%	(**5,074**)	(4,179)
Expenses not deductible for tax purposes	-	-
Unutilised tax losses	**5,074**	4,179
Income tax charge	-	-

Deferred income tax

A deferred income tax asset of **USD 4,651** (2018: USD 5,055) has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profits will be available against which the unused tax losses can be utilised.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

8. OTHER RECEIVABLES

	2019 USD	2018 USD
Loan receivable from subsidiary company (Note 12(i))	**1**	1
Amount receivable from holding company (Note 12 (ii))	**22,687**	22,687
Prepayments	-	2,124
	22,688	24,812

The loan receivable from subsidiary company and amount receivable from holding company is unsecured, interest free and repayable on demand.

9. CASH AND CASH EQUIVALENTS

	2019 USD	2018 USD
Cash at bank	**10,172**	-
Cash in transit	-	16,492
At 31 March	**10,172**	16,492

Cash in transit represents funds following closure of the bank account with Deutsche Bank during the financial year 31 March 2018.

10. STATED CAPITAL

	2019 USD	2018 USD
Issued and fully paid – Ordinary shares of USD 1 each		
At 01 April	**234,244,455**	234,194,455
Issued during the year	-	50,000
At 31 March	**234,244,455**	234,244,455

A reconciliation of the number of shares at the beginning and at the end of the financial year is as follows:

	2019 Number	2018 Number
At 01 April	**234,244,455**	234,194,455
Issued during the year	-	50,000
At 31 March	**234,244,455**	234,244,455

The holder of an ordinary share in the Company shall confer on the holder:

(a) the right to one vote on a poll at a meeting of the Company on any resolution;
(b) the right to an equal share in dividends authorised by the Board; and
(c) the right to an equal share in the distribution of the surplus assets of the Company.

11. OTHER PAYABLES

	2019 USD	2018 USD
Accruals	**35,584**	10,200

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

12. RELATED PARTY TRANSACTIONS

During the year under review, the Company transacted with related parties. The nature, volume of transactions and the balances are as follows:

	2019	2018
	USD	USD
(i) Loan receivable from subsidiary company – Cairn Lanka (Pvt) Ltd		
At 01 April	**1**	1
At 31 March (Note 8)	**1**	1

The loan receivable from subsidiary is part of a loan facility of USD 200,000,000 approved on 05 September 2012 and is valid for the period from 05 September 2012 to 31 March 2018 or to such extended time as may be mutually agreed in writing. The loan is interest free, unsecured and repayable on demand.

(ii)Amount receivable from holding company – CIG Mauritius Holding Private Limited

	2019	2018
	USD	USD
At 01 April	**22,687**	21,432
Additions	-	4,255
Offsetting against amount payable (Note 12 (iii))	-	(3,000)
At 31 March	**22,687**	22,687

(iii)Amount due to holding company – CIG Mauritius Holding Private Limited

At 01 April		
Additions	-	3,000
Offsetting against amount receivable (Note 12 (ii))	-	(3,000)
At 31 March	-	-

(v) Key management services

Fees to management company	**25,662**	20,696

Outstanding balances

Due to management entity	**29,197**	5,372

13 PARENT AND ULTIMATE PARENT

The Company's parent entity is CIG Mauritius Holding Private Limited, a company incorporated in Mauritius. The ultimate controlling party of the Company is Volcan Investments Limited ("Volcan") incorporated in Bahamas. Vedanta Resources Limited is the intermediate holding company of the Company.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

14. CONTINUING FINANCIAL SUPPORT

The Company incurred a loss of **USD 33,828** for the year ended 31 March 2019 (2018: USD 27,857) and as at date, it has a shareholder's deficit of **USD 2,723** (2018: total equity of USD 31,105). The Company however does not have the sufficient cash and cash equivalent to settle and cater for its current liabilities and expenses for the foreseeable future.

The holding Company, Cairn Energy Hydrocarbons Limited, has given a letter of financial support to the Company, to enable it to continue its operations and to pay its obligations as they become due for a period of one year.

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

15. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date which would require disclosure and adjustment to the financial statements for the year ended 31 March 2019. The Company is however expected to receive capital injection from its parent entity after the reporting date, with no timeline.