CIG MAURITIUS PRIVATE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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CIG MAURITIUS PRIVATE LIMITED

MANAGEMENT AND ADMINISTRATION

			Date of appointment	Date of resignation
DIRECTORS	:	Veronique Magny-Antoine	01 July 2008	30 June 2020
		Nisha Proag-Dookun	26 March 2014	30 June 2020
		Pankaj Kalra	13 July 2016	5 April 2019
		Sharad Kothari	22 April 2019	25 June 2020
		Rishikesh Batoosam	30 June 2020	-
		Fazeel Muhammad Soyfoo	30 June 2020	-
		Hitesh Narendra Vaid	21 July 2020	-

ADMINISTRATOR AND SECRETARY : Ocorian Corporate Services (Mauritius) Limited
6th floor, Tower A
1 CyberCity
Ebene
Republic of Mauritius

REGISTERED OFFICE : 6th floor, Tower A
1 CyberCity
Ebene
Republic of Mauritius

AUDITOR : Ernst & Young
9th Floor, Tower 1, NeXTeracom
Cybercity
Ebene
Republic of 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 2020.

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 2020 is **USD 52,902** (2019: USD 33,828).

The directors do not recommend the payment of a dividend during the year under review (2019: USD Nil).

During the financial year under review, there has been no impact of COVID 19 on the results of the Company. The Company does not have any on-ground spread out business operations and hence there is no risk of disruption in relation to its business activity. There has been no impact of COVID 19 on the subsidiary of the Company due to no activities and disposal of all exploration assets.

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

VEENA PYDIAH, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

SECRETARY

18 SEP 2020

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 2020, all such returns as are required of the Company under the Mauritius Companies Act 2001.

VEENA PYDIAH, ACIS
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED

COMPANY SECRETARY

18 SEP 2020

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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 25 which comprise the statement of financial position as at 31 March 2020, 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 2020, 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) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled our other ethical responsibilities in accordance with 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 2020 of USD 52,902 and, as at that date, the Company's total liabilities exceeded its total assets by USD 625. 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.

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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

ERNST & YOUNG
Ebène, Mauritius

Date: 18 SEP 2020

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 2020

	Notes	**2020 USD**	2019 USD
EXPENSES			
Administrative expenses	5	**13,877**	33,243
Impairment of loan	12(i)	**40,000**	-
Finance (income)/cost	5	(**975**)	1,585
Total expenses		(**52,902**)	33,828
Loss before taxation		(**52,902**)	(33,828)
Income tax expense	7	-	-
Loss for the year		(**52,902**)	(33,828)
Other comprehensive income		-	-
Total comprehensive loss for the year		(**52,902**)	(33,828)

The notes on pages 12 to 25 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	**2020 USD**	2019 USD
ASSETS			
Non current assets			
Investment in subsidiary	6	**1**	1
Current assets			
Other receivables	8	**8,119**	22,688
Cash and cash equivalents	9	**5,532**	10,172
		13,651	32,860
Total assets		**13,652**	32,861
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	10	**234,299,455**	234,244,455
Accumulated losses		**(234,300,080)**	(234,247,178)
Shareholder's deficit		**(625)**	(2,723)
LIABILITIES			
Current liabilities			
Other payables	11	**14,277**	35,584
Total equity and liabilities		**13,652**	32,861

Approved by the Board of Directors on 18 SEP 2020
and signed on its behalf by:

}
}
} **DIRECTORS**
}

The notes on pages 12 to 25 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Stated capital	Accumulated losses	Total
	USD	USD	USD
At 01 April 2018	234,244,455	(234,213,350)	31,105
Total comprehensive loss for the year	-	(33,828)	(33,828)
At 31 March 2019	234,244,455	(234,247,178)	(2,723)
Total comprehensive loss for the year	-	(**52,902**)	(**52,902**)
Transaction with owners of the Company:			
Issue of shares (Note 10)	**55,000**	-	**55,000**
	55,000	-	**55,000**
At 31 March 2020	**234,299,455**	(**234,300,080**)	(**625**)

The notes on pages 12 to 25 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	**2020 USD**	2019 USD
Cash flows from operating activities			
Net loss before taxation		(**52,902**)	(33,828)
Adjustments for:			
Impairment of loan	12(i)	**40,000**	-
Operating loss before working capital changes		(**12,902**)	(33,828)
Decrease in trade and other receivables		**14,569**	2,124
(Decrease)/increase in other payables and accruals		(**21,307**)	25,384
Net cash used in operating activities		(**19,640**)	(6,320)
Cash flows from investing activities			
Loan advanced	12(i)	(**40,000**)	-
Net cash used in investing activities		(**40,000**)	-
Cash flows from financing activities			
Proceeds from issue of share capital	10	**55,000**	-
Net cash from financing activities		**55,000**	-
Net decrease in cash and cash equivalents		(**4,640**)	(6,320)
Cash and cash equivalents at beginning of year		**10,172**	16,492
Cash and cash equivalents at end of year		**5,532**	10,172

The notes on pages 12 to 25 form an integral part of these financial statements.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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, 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. 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.

(i) 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.

(ii) Changes in accounting policy and disclosures

New and amended standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 January 2019 and have not been early adopted in preparing these financial standards. None of these are expected to have a material effect on the financial statements of the Company.

IFRIC 23 Uncertainty over Income Tax Treatment

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgements made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The application of the IFRIC had no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Changes in accounting policy and disclosures (continued)

New standards, amendments and interpretations issued that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(iii) Summary of significant accounting policies

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

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.

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 Resources Limited (formerly 'Vedanta Resources Plc'), 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 Resources 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

Financial assets

(a) Classification and initial measurement

The Company classifies its financial assets in the following measurement categories:

- 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.

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.

The Company'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, the Company 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.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(b) Subsequent measurement

Debt instruments

The Company classifies its debt instruments as financial assets as amortised cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Company's financial assets at amortised cost include loan and amount receivable from related parties and cash and cash equivalents which it classifies as financial assets at amortised cost.

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.

Other receivables

The loan and amount receivable from related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(c) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(d) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred 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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(d) Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost.

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 only accounts payables.

(b) Subsequent measurement

Accounts 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.

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.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Summary of significant accounting policies (continued)

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. Refer to Note 14 for further details.

In light of the COVID19 outbreak, management has made an assessment in respect of the entity's going concern and concluded that there is no reason for which the Company will no longer be going concern.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

Impairment assessment

During the year ended 31 March 2020, the Company recognized an impairment of loan amounting to **USD 40,000** (2019 – USD Nil).

The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

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.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial risk factors (continued)

(a) Market risk

(iii) Currency 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. There was no concentration of credit risk as at the reporting date.

The Company has one type of financial assets that are subject to the expected credit loss model which include financial asset carried at amortised cost.

Financial assets at amortised cost include loan from subsidiary, amount receivable from affiliates and cash and cash equivalents.

Management has not recognised any expected credit loss on loans and accounts receivable as they are considered to have low risk of default, the balances being with related parties and fully recoverable.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Sensitivity analysis

As at 31 March 2020, 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 decreased or increased by USD 455 (2019:USD 1,538), mainly as a result of foreign exchange losses/gains on translation of EURO denominated financial assets and/or liabilities.

Currency profile

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

	Financial assets 2020 USD	**Financial liabilities 2020 USD**	Financial assets 2019 USD	Financial liabilities 2019 USD
Euro	**-**	**9,102**	-	30,754
United States dollars (USD)	**11,716**	**5,175**	32,860	4,830
	11,716	**14,277**	32,860	35,584

Prepayments amounting to **USD 1,935** (2019 - USD Nil) 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, 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 2020, 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.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Management has not recognized any expected credit loss on loans and amounts receivable as they are considered to have low risk of default, the balances being with related parties and fully recoverable.

(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 2020 and 2019.

Categories of financial instruments

	2020	2019
	USD	USD
Financial asset at amortised cost		
Cash and cash equivalents	**5,532**	10,172
Amount receivable from holding company	**6,183**	22,687
Loan receivable from subsidiary company	**1**	1
	11,716	32,860

	USD	USD
Other financial liabilities at amortised cost		
Accounts payable	**14,277**	35,584

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. NOTES TO STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
	USD	USD
Administrative expenses:		
Secretarial and administration fees	(**2,892**)	15,176
Audit fees	**5,060**	4,255
Accounting fees	**3,520**	4,263
Tax fees	**880**	1,009
Directors' fees	**3,306**	3,458
Licence fees	**1,930**	1,972
Domiciliation and compliance	**1,378**	1,442
Disbursement	**187**	314
Registration fees	**341**	354
Penalty fees	**167**	-
	----------	----------
	13,877	32,243
	----------	----------
Finance (income)/costs		
Bank charges	**1,920**	2,066
Exchange difference	(**195**)	(481)
Reversal bank charges	(**2,700**)	-
	----------	----------
	(**975**)	1,585
	----------	----------

6. INVESTMENT IN SUBSIDIARY

	2020	2019
	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 2020**	2019	**Country of incorporation**	**2020 USD**	2019 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.

In addition to the previously approved (dated 14 October 2008) investment limit of USD 5,000,000, the Company had approved additional investment limits of USD 37,500,000 and USD 155,000,000, aggregating to USD 192,500,000 in Cairn Lanka Private Limited on 19 November 2009 and 06 July 2011 respectively. There has been no change in equity investment since the last financial year and the same stands at USD 170,390,000.

An independent valuer was appointed in year ended 31 March 2015 to determine the recoverability of the exploration assets in Cairn Lanka (Pvt) Ltd and based on the valuation report received, the value in use of the exploration assets have been valued to NIL. As a consequence, the entire exploration assets have been impaired in the books of Cairn Lanka (Pvt) Ltd and the Company recognised an impairment of USD 170,389,999 against equity investment in the latter.

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. INCOME TAX

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2019: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher 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 actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income.

The Company's GBL1 licence will convert to a GBL licence on 1st July 2021 and will operate under the new tax regime. Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

At 31 March 2020, the Company had tax losses of **USD 131,158** (2019: USD 155,028) 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 2021	30,087
31 March 2022	26,651
31 March 2023	27,857
31 March 2024	33,828
31 March 2025	12,735

	131,158
	=========

Tax losses of **USD 36,605** (2019: 47,289) 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:

	2020 USD	2019 USD
Net loss for the year before taxation	(**52,902**)	(33,828)
	=========	=========
Tax @ 15%	(**7,935**)	(5,074)
Expenses not deductible for tax purposes	**25**	-
Unutilised tax losses	**7,910**	5,074
	---------	--------
Income tax charge	-	-
	=========	=========

Deferred income tax

A deferred income tax asset of **USD 3,935** (2019: USD 4,651) 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 2020

8. OTHER RECEIVABLES

	2020 USD	2019 USD
Loan receivable from subsidiary company (Note 12(i))	**1**	1
Amount receivable from holding company (Note 12 (ii))	**6,183**	22,687
Prepayments	**1,935**	-
	8,119	22,688

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

	2020 USD	2019 USD
Cash at bank	**5,532**	10,172

10. STATED CAPITAL

	2020 USD	2019 USD
Issued and fully paid – Ordinary shares of USD 1 each		
At 01 April	**234,244,455**	234,244,455
Issued during the year	**55,000**	-
At 31 March	**234,299,455**	234,244,455

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

	2020 Number	2019 Number
At 01 April	**234,244,455**	234,244,455
Issued during the year	**55,000**	-
At 31 March	**234,299,455**	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

	2020 USD	2019 USD
Accruals	**14,277**	35,584
	14,277	35,584

CIG MAURITIUS PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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:

	2020	2019
	USD	USD
(i) Loan receivable from subsidiary company – Cairn Lanka (Pvt) Ltd		
At 01 April	**1**	1
Advanced during the year	**40,000**	-
Impaired during the year	(**40,000**)	-
31 March	**1**	1

(i) Loan receivable from subsidiary company – Cairn Lanka (Pvt) Ltd (continued)

The loan advanced during the year under review 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

	2020	2019
	USD	USD
At 01 April	**22,687**	22,687
Advance during the year	(**16,504**)	-
At 31 March	**6,183**	22,687

	2020	2019
	USD	USD
(iii) Key management services		
Fees to management company	**6,380**	25,662
Outstanding balances		
Due to management entity	**8,882**	29,197

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 (formerly 'Vedanta Resources Plc') is the intermediate holding company of the Company.

14. CONTINUING FINANCIAL SUPPORT

The Company incurred a loss of **USD 52,902** for the year ended 31 March 2020 (2019: USD 33,828) and as at date, it has a shareholder's deficit of **USD 625** (2019: USD 2,723). 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.

14. CONTINUING FINANCIAL SUPPORT (CONTINUED)

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

Subsequent to the year end, the recent global outbreak of the corona virus ("COVID-19") has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. Given the nature of the outbreak and the on-going developments, there is a high degree of uncertainty and it is difficult to assess full effect of this outbreak whilst it is expected that the Company will not have material impact due to the nature of its operation.

There have been no other material events after the reporting date which would require disclosure and adjustment to the financial statements for the year ended 31 March 2020. The Company is however expected to receive capital injection from its parent entity after the reporting date, with no timeline.