BLOOM FOUNTAIN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

BLOOM FOUNTAIN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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BLOOM FOUNTAIN LIMITED

CORPORATE INFORMATION

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

ADMINISTRATOR & SECRETARY:
IQ EQ Corporate Services Mauritius Ltd
(formerly known as SGG Corporate Services (Mauritius) Ltd)
33, Edith Cavell Street
Port Louis, 11324
Mauritius

REGISTERED OFFICE:
C/o IQ EQ Corporate Services Mauritius Ltd
33, Edith Cavell Street
Port Louis, 11324
Mauritius

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

BANKER:
Standard Chartered Bank (Mauritius) Limited
Units 6A & 6B
6th Floor, Standard Chartered Tower
Lot 19, Cybercity
Ebène
Mauritius

BLOOM FOUNTAIN LIMITED
COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Bloom Fountain Limited (the “Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activities of the Company are investment holding and to provide consultancy services.

RESULTS AND DIVIDEND

The Company’s loss for the year ended 31 March 2019 is USD 27,281,880 (2018: USD 1,054,924).

The directors do not recommend any payment of dividend for the year ended 31 March 2019. (2018: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are required to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards, have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The Auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BLOOM FOUNTAIN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bloom Fountain Limited (the "Company"), which comprise the statement of financial position as at 31 March 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 of the Company are prepared in all material respects, in accordance with the International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 18 to the financial statements, which indicates that the Company incurred a net loss for the year ended 31 March 2019 of USD 27,281,880, and as at that date, the Company's total liabilities exceeded its total assets by USD 1,223,234,350. These conditions along with other matters set forth in note xxx indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors, but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BLOOM FOUNTAIN LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards, as described in note 2 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BLOOM FOUNTAIN LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Basis of Preparation and Restriction on Distribution and Use

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

Other matters

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

ERNST & YOUNG
Ebène, Mauritius

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

Date: 19 June, 2019

BLOOM FOUNTAIN LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019

	Notes	2019	2018
		USD	USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**-**	-
Loan to related party	6	**1,330,000**	845,000
Total non-current assets		**1,330,000**	845,000
Current assets			
Other receivable	7	**478,864**	485,441
Cash and cash equivalents		**44,263**	75,834
Total current assets		**523,127**	561,275
Total assets		**1,853,127**	1,406,275
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	8	**2,201,000,001**	2,201,000,001
Accumulated losses		**(254,437,127)**	(227,155,247)
Other equity reserve	5	**(3,169,797,224)**	(3,169,797,224)
Shareholder's deficit		**(1,223,234,350)**	(1,195,952,470)
Non-current liabilities			
Borrowings	9	**915,000**	450,000
Total non-current liabilities		**915,000**	450,000
Current liabilities			
Borrowings	9	**903,536,419**	903,536,419
Convertible Preference Shares	10	**222,040,000**	222,040,000
Other payables	11	**98,596,058**	71,332,326
Total current liabilities		**1,224,172,477**	1,196,908,745
Total liabilities		**1,225,087,477**	1,197,358,745
Total equity and liabilities		**1,853,127**	1,406,275

Approved by the Board of Directors and authorised for issue on 19 June, 2019.
and signed on its behalf by:

____
Director

The notes on pages 11 to 33 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

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

	Note	2019	2018
		USD	USD
EXPENSES			
Audit fees		**(20,000)**	(7,200)
Professional fees		**(40,577)**	(1,250)
Licence fees		**(65)**	(65)
		(60,642)	(8,515)
Investment written off	5	**-**	(183,283)
Net finance cost	12	**(27,221,238)**	(863,126)
Loss before taxation		**(27,281,880)**	(1,054,924)
Income tax expense	13	**-**	-
Loss for the year		**(27,281,880)**	**(1,054,924)**
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(27,281,880)**	**(1,054,924)**

The notes on pages 11 to 33 form an integral part of these financial statements.
Independent auditor’s report on pages 4 to 6.

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

	Issued capital	**Accumulated losses**	**Other equity reserve**	**Total**
	USD	USD	USD	USD
At 1 April 2017	**2,201,000,001**	**(226,100,323)**	**(2,200,000,000)**	**(225,100,322)**
Impairment of investment (Refer note no 5(a) and 5(b))	**-**	**-**	**(969,797,224)**	**(969,797,224)**
Loss for the year and total comprehensive loss	**-**	**(1,054,924)**	**-**	**(1,054,924)**
At 31 March 2018	**2,201,000,001**	**(227,155,247)**	**(3,169,797,224)**	**(1,195,952,470)**
At 1 April 2018	**2,201,000,001**	**(227,155,247)**	**(3,169,797,224)**	**(1,195,952,470)**
Loss for the year and total comprehensive loss	**-**	**(27,281,880)**	**-**	**(27,281,880)**
At 31 March 2019	**2,201,000,001**	**(254,437,127)**	**(3,169,797,224)**	**(1,223,234,350)**

The notes on pages 11 to 33 form an integral part of these financial statements.
Independent auditor’s report on pages 4 to 6.

BLOOM FOUNTAIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		USD	USD
Net cash used in operating activities	14	**(11,571)**	(7,734)
Investing activities			
Loan to subsidiary	6	**(485,000)**	(370,000)
Net cash used in investing activities		**(485,000)**	(370,000)
Financing activities			
Proceeds from borrowings	9	**465,000**	450,000
Net cash generated from financing activities		**465,000**	450,000
Net (decrease)/ increase in cash and cash equivalents		**(31,571)**	72,266
Cash and cash equivalents at the beginning of year		**75,834**	3,568
Cash and cash equivalents at end of year		**44,263**	75,834

The notes on pages 11 to 33 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. CORPORATE INFORMATION

Bloom Fountain Limited (the "Company") was incorporated in Mauritius as a private company under the Companies Act 2001 on 23 June 2011 and was licenced as a Category 2 Global Business Company on 24 June 2011. Following amendments brought by the Finance Act 2018, the Category 2 Global Business Licence issued to Category 2 Global Business Companies ("GBC 2") has been abolished and a new type of Company, the Authorised Company, has been introduced effective from 1 January 2019. Existing GBC 2 Companies which were licenced on or before 16 October 2017 will be grandfathered until 30 June 2021. Subsequently their licences will lapse and they will need to comply with the requirements of the Authorised Company. The Company's registered office address at c/o IQ EQ Corporate Services (Mauritius) Ltd (erstwhile SGG Corporate Services (Mauritius) Ltd), 33, Edith Cavell Street, Port Louis, Mauritius.

The Company's principal activity is investment holding and to provide consultancy services.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of preparation

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

3(a). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Investment in subsidiaries

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries represent equity holdings in subsidiaries except preference shares, valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

(b) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets – Recognition & subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are

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

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

recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in the following categories:

Debt instruments at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in statement of profit or loss and other comprehensive income.

(ii) Financial Asset – Derecognition

The Company derecognises a financial asset when the contractual rights to 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.

(iii) Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits
b) Other receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15

The Company follows 'simplified approach' for recognition of impairment loss allowance on other receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognised as income/expense in profit or loss. The statement of financial position presentation for various financial instruments is described below:

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(iv) Financial liabilities – Recognition & Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include other payables, loans and borrowings and Optionally convertible redeemable preference shares ("OCRPS")

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares are classified as equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

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

(iv) Financial liabilities – Recognition & Subsequent measurement (cont'd)

Financial liabilities and equity instruments issued by the Company (cont'd)

Compound instruments (cont'd)

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to stated capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is includ.ed as finance costs in the statement of profit or loss and other comprehensive income.

(v) Financial liabilities – Derecognition

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

(vi) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

(c) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post-tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

If the recoverable amount of an asset or CGU is estimated to be less than it's carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised except if initially attributed to goodwill.

(d) Accounting for foreign currency transactions and translations

The Directors consider USD to be the currency that most faithfully represent the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the company measures its performance and reports its results, as well as the currency in which it receives capital contribution from its investors. This determination also considers the competitive environment in which the company operates. The Company's financial instruments are prepared in USD.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date.

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

(d) Accounting for foreign currency transactions and translations (cont'd)

Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All differences are taken to the statement of profit or loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

(e) Current v/s Non -current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(f) Expense Recognition

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

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, which are subject to an insignificant risk of changes in value.

(h) Related parties

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

3(b). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Changes in accounting policies

The Company has adopted with effect from 01 April 2018, the following new standards, amendments and pronouncements.

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

IFRS 9 - Financial Instruments

IFRS 9 has reduced the complexity of the current rules on financial instruments as mandated in IAS 39. It has fewer classification and measurement categories as compared to IAS 39. It eliminates the rule-based requirement of segregating embedded derivatives from financial assets and tainting rules pertaining to held to maturity investments. For financial assets which are debt instruments, IFRS 9 establishes a principle-based approach for classification based on cash flow characteristics of the asset and the business model in which an asset is held. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by- share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income on such equity investment would ever be reclassified to profit or loss. It requires the entity, which chooses to designate a liability as at fair value through profit or loss, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. IFRS 9 replaces the 'incurred loss model' in IAS 39 with an 'expected credit loss' model. The measurement uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The standard also introduces new presentation and disclosure requirements.

For transition, the Company has elected to apply the limited exemptions in IFRS 9 relating to the classification, measurement and impairment requirements for financial assets and accordingly has not restated comparative periods.

The Company has adopted IFRS 9 from 01 April 2018. Adoption of this Standard did not have a material impact.

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 January 2018, however, the company has chosen to take advantage of the option not to restate comparatives. Therefore, the 31 March, 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 01 April, 2018.

Classification of the financial assets and liabilities as per the statement of financial position:

Financial Assets

Financial assets as on 01 April 2018	**Amount ($)**	**Measurement under IAS 39**	**Measurement under IFRS 9**	**Impact**
Loan to related party	845,000			
Other receivables	485,441	Amortised cost	Amortised cost	Nil
Cash and cash equivalents	75,834			
Total	**1,406,275**			

Financial Liabilities

Financial liabilities as on 01 April 2018	**Amount ($)**	**Measurement under IAS 39**	**Measurement under IFRS 9**	**Impact**
Borrowings	903,986,419			
Other payables	71,332,326	Amortised cost	Amortised cost	Nil
OCRPS	222,040,000			
Total	**1,197,358,745**			

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

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories. All financial assets that were classified as receivables and measured at amortised cost continue to be.

In addition, the application of the ECL mode under IFRS 9 has not significantly changed the carrying amounts of the Company's amortised cost financial assets.

Previous period Accounting Policy

Financial Instruments

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

Initial Recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets of the company comprises of loan to related party, other receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

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

Financial assets at amortized cost

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

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

Previous period Accounting Policy (cont'd)

Financial Instrument(cont'd)

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Derecognition of financial assets

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

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

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

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

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

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

Previous period Accounting Policy (cont'd)

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation (if any) is included as finance costs in the statement of profit or loss.

Financial Instrument

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the 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.

Other Amendments

The adoption of IFRS 15 “Revenue from contracts with customers”, IAS 23 “Borrowing Cost” 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.

Standards issued but not yet effective

The new standards including IFRS 16 “Leases” and other standards/amendments to standards that have been issued but are not yet effective up to the date of issuance of the Company's financial statements is not expected have any significant impact on the Company's financial statements.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Functional currency

The directors consider the USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results to the members. This determination also considers the competitive environment in which the Company operates.

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

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has access to resources to continue in business for the foreseeable future. Refer to note 18 for more details.

Estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

Loans & Other receivables

The Company uses the provision matrix as a practical expedient to measuring ECLs on Loans & other receivables based on days past due for grouping of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward looking estimates. Refer note no. 15 for more details.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

5(a). INVESTMENTS IN SUBSIDIARIES

Western Cluster Limited

	2019	2018
	USD	USD
As at 1 April and 31 March	**-**	**-**

Twin Star Energy Holdings Limited

	2019	2018
	USD	USD
As at 1 April	**-**	1
Addition during the year	**-**	120,478
Investment written off (refer note below)	**-**	(120,479)
At 31 March	**-**	**-**

Sesa Sterlite Mauritius Holdings Limited

	2019	2018
	USD	USD
As at 1 April	**-**	1
Addition during the year	**-**	34,392
Investment written off	**-**	(34,393)
At 31 March	**-**	**-**

Twin Star Mauritius Holdings Limited – Redeemable Preference Shares

	2019	2018
	USD	USD
As at 1 April	**-**	**-**
Impairment during the year (refer note below)	**-**	2,200,000,000
Converted to Equity (refer note below)	**-**	(2,200,000,000)
At 31 March	**-**	-

Twin Star Mauritius Holdings Limited

	2019	2018
	USD	USD
As at 1 April	**-**	**-**
Addition during the year	**-**	3,169,825,635
Written off during the year (refer note below)	**-**	(3,169,825,635)
At 31 March	**-**	-

During previous year, the company entered into different transactions involving Twin Star Mauritius Holdings Ltd (TSMHL), an indirect subsidiary of the Company which are summarized below

- TSMHL assigned to the Company its loan payable to group company, Fujairah Gold FZC of USD 900,000,000 along with accrued interest payable of USD 69,797,222. As a consideration of this assignment to the Company, TSMHL owed an equivalent amount including interest to the Company.

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

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

- The Company also bought receivables along with accrued interest of USD 438,067,379 and USD 290,415,068 of group companies, THL Zinc Holding BV and Monte Cello BV respectively from TSMHL, at $1 each.
- The Company had subscribed to USD 2,200,000,000 worth redeemable preference shares (RPS) of TSMHL in 2016-17, which during the year were converted to Convertible Preference Shares (CPS) which are convertible to equity shares of TSMHL at the option of the Company or redeemable in cash at the option of TSMHL.

All the above loans and other payables along with interest were converted to equity by TSMHL. Further the Company opted to convert all of its CPS into equity shares of TSMHL. In total the Company's entire investment in TSMHL and receivable from TSMHL worth USD 3,169,825,635 was converted to equity of TSMHL. Post the above conversion, TSMHL filed for liquidation and for the reasons detailed in Note 5(b), the Company has written off its entire above investment net of impairment provision in TSMHL through equity.

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

Details of the investments held at 31 March 2019 and 2018 are provided below:

Subsidiary	Principal Activity	Country of Incorporation	Type of Shares	No of Shares Held		% Holding		Carrying Value	
				2019	2018	2019	2018	2019	2018
								USD	USD
Western Cluster Limited	Mining	Liberia	Ordinary shares	100	100	100%	100%	-	-
Twin Star Mauritius Holdings Limited*	Investment Holding	Mauritius	Redeemable Preference Share	-	-	-	-	-	-
Sesa Sterlite Mauritius Holding Limited*	Investment Holding	Mauritius	Ordinary shares	-	-	-	100%	-	-
Twin Star Energy Holdings Ltd.*	Investment Holding	Mauritius	Ordinary shares	-	-	-	100%	-	-

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

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

6. LOAN TO RELATED PARTY

	2019	2018
	USD	USD
At 1 April	**845,000**	475,000
Additions during the year	**485,000**	370,000
At 31 March	**1,330,000**	845,000

Loan to Western Cluster Limited is interest free, unsecured and repayable in 5 years. Western Cluster Limited ("WCL"), subsidiary of the Company, has received a letter of support from Vedanta Limited, the intermediate holding company, who will provide financial support to the WCL to enable it to meet its obligations as and when they fall due and to carry on its current business for the next 18 months. Directors have upon consideration of an unconditional letter of support from Vedanta Limited, have treated the loan balance of USD 1,330,000 and accrued interest of USD 478,864 as recoverable.

7. OTHER RECEIVABLE

	2019	2018
	USD	USD
Amount due from subsidiary (Western Cluster Limited)	**478,864**	478,864
Other receivables	**-**	6,577
	478,864	485,441

Amount receivable from Western Cluster Limited is towards consultancy fees and advances and the directors believe that this will be received in next twelve months. Western Cluster Limited ("WCL"), subsidiary of the Company, has received a letter of support from Vedanta Limited, the intermediate holding company, who will provide financial support to the WCL to enable it to meet its obligations as and when they fall due and to carry on its current business for the next 18 months.

8. ISSUED CAPITAL

	2019	2018
	USD	USD
Issued and fully paid		
Ordinary Share of USD 1.00 each		
At 1 April and 31 March	**2,201,000,001**	**2,201,000,001**

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

9. BORROWINGS

	2019	2018
	USD	USD
Current		
At 1 April	**903,536,419**	-
Addition	-	900,450,000
Reclassified from/ (to) non-current	-	3,086,419
At 31 March	**903,536,419**	903,536,419

9. BORROWINGS (Cont'd)

	2019	2018
	USD	USD
Non-Current		
At 1 April	**450,000**	3,536,419
Addition	**465,000**	-
Reclassified (to)/ from current	-	(3,086,419)
At 31 March	**915,000**	450,000

(i) The Company has taken a loan of USD 3,536,419 from THL Zinc Ltd. The loan is unsecured, bears interest at the rate of 2.6% per annum and is repayable by 28 February 2019 or such later day as may be agreed by the parties. During the current year, the repayment date has been further extended to 28 February 2020.

(ii) The Company has taken a loan of USD 915,000 from Cairn India Holding Ltd. The loan is unsecured, bears interest at the rate of three months Libor plus 250 basis points per annum and is repayable by 19 March 2021 or such later day as may be agreed by the parties.

(iii) During the previous year, the Company has been assigned a loan of USD 900,000,000 from Fujairah Gold FZE at an interest of 3% per annum and is repayable by 1 January 2019. During the current year, the repayment date has been further extended to 30 June 2020.

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

There is no movement in the number of Optionally Convertible Redeemable Preference Shares during 2018-19.

	OCRPS of USD 1 each and premium of USD 99	**OCRPS of USD 100 each**	**Number of shares**
At 1 April 2017	1,859,900	360,500	2,220,400
At 31 March 2018	1,859,900	360,500	2,220,400
At 31 March 2019	**1,859,900**	**360,500**	**2,220,400**

Each Optionally Redeemable Preference Shares can be converted at the option of the investor into variable number of equity shares, hence classified as current and can be redeemed at the option of the Company at any time.
In accordance with paragraph 16 of IAS 32 Financial Instruments: Presentation, the Optionally Convertible Redeemable Preference Shares (OCRPS) have been classified as a liability. The Directors confirmed that the OCRPS will not be redeemed within the next twelve months as from the date of this financial statements.

11. OTHER PAYABLES

	2019	2018
	USD	USD
Audit fees	**20,000**	41,950
Management consultancy fees	**16,128**	19,775
Accrued interest on Optionally Convertible Redeemable preference shares	**484,818**	390,058
Payable to related parties	**210,805**	142,880
Interest payable	**97,864,307**	70,737,663
	98,596,058	71,332,326

Other Payables are unsecured, interest free and repayable on demand.

12. NET FINANCE COST

	2019	2018
	USD	USD
Interest on borrowings	**27,126,645**	767,015
Interest on Optionally Convertible Redeemable Preference Shares	**94,760**	94,760
Bank charges	**(167)**	1,351
	27,221,238	863,126

13. TAXATION

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

Regulatory

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

Tax

The income of the company is exempt from income tax in Mauritius up to 30 June 2021.

Where the company will hold a Global Business Licence as from 1 July 2021, it will be taxable on its world-wide income on an accrual basis at the rate of 15%. A partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments may apply: the partial exemption will be computed at 80% of the income in question. The partial exemption will not be mandatory: the company may apply the credit system if it so wishes.

In the event, the company is considered to be an Authorised Company pursuant to section 71A of the FSA as from 1 July 2021, the company will not be not tax resident in Mauritius under section 73A of the Income Tax Act: being a non-resident, the foreign sourced income of the company is outside the scope of the ITA. Any Mauritian sourced income will generally be subject to tax at the rate of 15%: Corporate Social Responsibility at rate of 3% of the taxable profits will also apply on any Mauritian sourced income. The tax laws of the country where the company will be tax resident should also be considered.

14. NET CASH GENERATED USED IN OPERATING ACTIVITIES

	2019	2018
	USD	USD
Loss before tax	**(27,281,880)**	(1,054,924)
Adjustments for:		
Investment written off	**-**	183,283
Changes in working capital:		
Decrease/ (increase) in other receivables	**6,577**	(6,577)
Increase in other payables	**27,263,732**	870,484
Net cash used in operating activities	**(11,571)**	(7,734)

15. FINANCIAL INSTRUMENTS

Fair values

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

	2019	2018
	USD	USD
Financial assets-At amortised cost		
Loan receivables	**1,330,000**	845,000
Other receivables	**478,864**	485,441
Cash and cash equivalents	**44,263**	75,834
Total financial assets – At amortised cost	**1,853,127**	1,406,275

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

15. FINANCIAL INSTRUMENTS (CONT'D)

Financial liabilities – At amortised cost	2019 USD	2018 USD
Other payables	**98,596,058**	71,332,326
Borrowings	**904,451,419**	903,986,419
Optionally Convertible Redeemable Preference Shares	**222,040,000**	222,040,000
Total financial liabilities – At amortised cost	**1,225,087,477**	1,197,358,745

Currency profile

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

	Financial assets 2019 USD	Financial liabilities 2019 USD	Financial assets 2018 USD	Financial liabilities 2018 USD
United States Dollars	**1,853,127**	**1,225,087,477**	1,406,275	1,197,358,745

The Company is not exposed to currency risk.

(a) Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not have any exposure to market risk.

(b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

31 March 2019	**Interest bearing**	**Non-interest bearing**	**Total**
Assets			
Other receivables	-	478,864	478,864
Cash and cash equivalents	-	44,263	44,263
Total assets	**-**	**523,127**	**523,127**
Liabilities			
Borrowings – Non current	915,000	-	915,000
Borrowings – Current	903,536,419	-	903,536,419
Optionally Convertible Redeemable Preference Shares	222,040,000	-	222,040,000
Other payables	-	98,596,058	98,596,058
Total Liabilities	**1,126,491,419**	**98,596,058**	**1,225,087,477**

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

15. FINANCIAL INSTRUMENTS (CONT'D)

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from its loans and other receivables and cash and cash equivalents.

The Company has clearly defined policies to mitigate counterparty risks. For cash and cash equivalents, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions. Credit risk on loans and other receivables is limited as the counterparties, which are all related parties, have obtained financial support from the intermediate holding company to enable them to meet their obligations as and when they fall due and to carry on with their current business for the next 18 months. As such, management considers the probability of default to be close to zero and hence no allowance has been recognised based on 12-months ECL.

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

	2019	2018
	USD	USD
Loan receivables	**1,330,000**	845,000
Other receivables	**478,864**	485,441
Cash and cash equivalents	**44,263**	75,834
	1,853,127	1,406,275

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

15. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation. At 31 March 2019, the Company had financial liabilities of USD 1,225,087,477 (2018:1,197,358,744), with a maturity profile mentioned in table below. These consist mostly of borrowings from related party, amount due to related parties and other payables. At reporting date, the bank balance amounted to USD 44,263 (2018: USD 75,834), which is insufficient to finance the Company`s financial liabilities.

However, the Company has recourse to its holding companies for such financing and the parent has indicated its intention to continue to provide financial support for at least 18 months as from the date of this report. As such, liquidity risk is considered as minimal.
The maturity profile of the company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below:

	Less than 1 year	More than 1 year	Total
	USD	USD	USD
31 March 2019			
Liabilities			
Borrowings	**915,000**	**903,536,419**	**904,451,419**
Optionally Convertible Redeemable Preference Shares	**-**	**222,040,000**	**222,040,000**
Other payables	**98,596,058**	**-**	**98,596,058**
	99,511,058	**1,125,576,419**	**1,225,087,477**
31 March 2018			
Liabilities			
Borrowings	450,000	903,536,419	903,986,419
Optionally Convertible Redeemable Preference Shares	-	222,040,000	222,040,000
Other payables	71,332,326	-	71,332,326
	71,782,326	**1,125,576,419**	**1,197,358,744**

15. FINANCIAL INSTRUMENTS (CONT'D)

Reconciliation of Liabilities arising from Financing Activities:

	Borrowings		Interest payables	
	Due within 1 year	**Due after 1 year**	**Due within 1 year**	**Due after 1 year**
At 1 April 2017	**-**	**3,536,419**	**471,311**	**-**
Cash flow		450,000	-	-
Reclassification from Non-current to current	3,536,419	(3,536,419)	-	-
Other non-cash changes (1)	900,000,000	-	70,656,410	-
At 1 April 2018	**903,536,419**	**450,000**	**71,127,721**	**-**
Cash flow		465,000	-	-
Reclassification from Non-current to current	-	-	-	-
Other non-cash changes	-	-	27,221,404	-
At 31 March 2019	**903,536,419**	**915,000**	**98,349,125**	**-**

(1) During the previous year, the Company has been assigned a loan of USD 900,000,000 from Fujairah Gold FZE at an interest of 4% per annum. The repayment date has been extended to 1 January 2020.

Capital risk management

For the purpose of the Company's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

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

BLOOM FOUNTAIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2019

16. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2019, the Company transacted with certain related parties. The nature and volume of transactions with the entities are as follows:

Name of company	Relationship	Nature of Transaction	2019 USD	2018 USD
Transactions				
Western Cluster Limited	Subsidiary	Additional loan given	**485,000**	370,000
THL Zinc Ltd	Group Company	Interest expenses	**91,947**	92,015
Vedanta Limited	Holding Company	Interest on Optionally Convertible Redeemable Preference Shares	**94,760**	94,760
Fujairah Gold FZE	Group Company	Interest expenses	**27,000,000**	675,000
Cairn India Holding Limited	Group Company	loan taken	**465,000**	450,000
		Interest expenses	**34,698**	-
Twin Star Mauritius Holdings Limited	Subsidiary Company	Advance taken	**-**	350,000
		Payment of Advance taken	**-**	350,000
		Conversion of Redeemable Preference shares into Convertible Preference shares	**-**	2,200,000,000
		Assignment of loan payable to Fujairah Gold FZE	**-**	900,000,000
		Assignment of accrued interest payable to Fujairah Gold FZE	**-**	69,797,222
		Investment in Equity Shares in lieu of net liabilities taken over	**-**	3,169,825,635
Twin Star Energy Holdings Limited	Subsidiary Company	Investment in Equity Shares in lieu of net liabilities taken over	**-**	120,478
Sesa Sterlite Mauritius Holdings Limited	Subsidiary Company	Investment in Equity Shares in lieu of net liabilities taken over	**-**	34,392

16. RELATED PARTY TRANSACTIONS (cont'd)

Name of company	Relationship	Nature of Transaction	2019 USD	2018 USD
Outstanding balances				
Western Cluster Limited	Subsidiary	Other receivables (Refer note 7)	**478,864**	478,864
		Loan given	**1,330,000**	845,000
Vedanta Limited	Holding Company	Optionally Convertible Redeemable Preference Shares	**222,040,000**	222,040,000
		Accrued interest on Optionally Convertible Redeemable Preference Shares	**484,818**	390,058
THL Zinc Ltd	Group Company	Loan payables Refer note 9)	**3,536,419**	3,536,419
		Interest payable (Refer note 11)	**357,387**	265,440
		Other payable (Refer note 11)	**14,638**	14,638
Fujairah Gold FZE	Group Company	Loan payables Refer note 9)	**900,000,000**	900,000,000
		Interest payable (Refer note 11)	**97,472,222**	70,472,222
Cairn India Holding Limited	Group Company	Loan payables (Refer note 9)	**915,000**	450,000
		Interest payable (Refer note 11)	**34,698**	-
Vedanta Resources Plc	Group Company	Other payables (Refer note 11)	**196,167**	128,240
THL Zinc Holding BV	Group Company	Other payables (Refer note 11)	**-**	1
Monte Cello BV	Group Company	Other payables (Refer note 11)	**-**	1

Compensation to Key Management Personnel

No compensation to key management personnel was paid during the year ended 31 March 2019 (2018: NIL).

Other related party transactions
Fees charged by management of the Company

	2019 USD	2018 USD
Transactions		
Total fees charged by management entity	**2,325**	**2,585**

Included in total fees charged by management entity, is an amount of USD 750 (2018: USD 750) pertaining to professional fees for the provision of directorship services.

17. HOLDING, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Vedanta Limited. The intermediate holding company is Vedanta Resources Ltd, a company established in the United Kingdom. The ultimate holding company is Volcan Investments Limited, a company established in the Bahamas.

18. GOING CONCERN

The Company incurred a net loss of USD 27,281,880 (2018: USD 1,054,924) for the year ended 31 March 2019 and as at that date, its total liabilities exceeded its total assets by USD 1,223,234,350 (2018: USD 1,195,952,470).

The directors have received a letter of support from Vedanta Limited, the immediate holding company, who will provide financial support to the Company to enable the latter to meet its obligations as and when they fall due and to carry on its current business for the next 18 months.

These conditions give rise to a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

19. EVENTS AFTER REPORTING PERIOD

There have been no material events after the reporting period, which would require disclosure or adjustment to the year ended 31 March 2019 financial statements.