SESA STERLITE MAURITIUS HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

SESA STERLITE MAURITIUS HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS	**PAGE**

SESA STERLITE MAURITIUS HOLDINGS LIMITED
CORPORATE DATA

		Date of appointment	Date of resignation
DIRECTORS:	Gyaneshwarnath Gowrea	30-Apr-2013	-
	Doomraj Sooneelall	30-Jun-2015	-
LIQUIDATOR	Ashraf Ramtoola Edith Cavell Street Port-Louis	30-Mar-18	

ADMINISTRATOR AND SECRETARY:
SGG CORPORATE SERVICES (MAURITIUS) LTD
(Formerly known as "CIM CORPORATE SERVICES LTD")
Les Cascades Building
33, Edith Cavell Street
Port Louis
Mauritius

REGISTERED OFFICE:
C/O SGG CORPORATE SERVICES (MAURITIUS) LTD
33, Edith Cavell Street
Port Louis ,11324
Mauritius

BANKER:
Standard Chartered Bank (Mauritius) Limited
Units 6A and 6B
6th floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène
Mauritius

AUDITOR:
Ernst & Young
9th Floor NeXTeracom Tower 1
Cybercity
Ebène
Mauritius

SESA STERLITE MAURITIUS HOLDINGS LIMITED
COMMENTARY OF THE LIQUIDATOR

The liquidator presents his commentary, together with the audited financial statements of Sesa Sterlite Mauritius Holdings Ltd. (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company had been investment holding and providing financial support to the group companies.

GOING CONCERN

The Company is no longer a going concern since there are no investments held by the Company as well as no operations. The shareholders approved the Company be wounded voluntarily by way of a written resolution dated 30 March, 2018 and I, Ashraf Ramtoola have been appointed liquidator of the Company. Accordingly, these financial statements are not prepared on a going concern basis.

RESULTS AND DIVIDEND

The Company’s loss for the year ended 31 March 2018 is **USD 15,909** (2017: USD 26,847).

No payment of dividend is recommended for the year ended 31 March 2018 (2017: NIL)

RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires 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, it is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards,have been followed and complied with, subject to any material departures disclosed and explained in the financial statements;

The liquidator confirms that they have complied with the above requirements in preparing the financial statements.

The directors were 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.

The directors were 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.

<u>SESA STERLITE MAURITIUS HOLDINGS LIMITED</u>

CERTIFICATE FROM THE SECRETARY

TO THE MEMBER OF SESA STERLITE MAURITIUS HOLDINGS LIMITED
(SECTION 166(D) OF THE COMPANIES ACT 2001)

We certify, as secretary of the Company, that based on records and information made available to us by the Liquidator and Sole Shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2018, all such returns as required of the Company under the Companies Act 2001.

Authorised signatory

Date:6th August, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SESA STERLITE MAURITIUS HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sesa Sterlite Mauritius Holdings limited (the "Company") on pages 7 to 21 which comprise the statements of financial position as at 31 March 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements 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 2018, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 18 to the financial statements, which indicates the resolution of directors to wind up the Company. This condition indicates that the Company is no longer a going concern.

Other Information

The Liquidator is responsible for the other information. The other information comprises the Commentary of the Liquidator and the Certificate from the Secretary 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 Liquidator for the Financial Statements

The Liquidator is 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 Liquidator determines 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 SESA STERLITE MAURITIUS HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Liquidator for the Financial Statements (Continued)

In preparing the financial statements, the liquidator 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 liquidator 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 liquidator.

- Conclude on the appropriateness of the liquidator'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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Liquidator 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 SESA STERLITE MAURITIUS HOLDINGS LIMITED

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 auditors, and dealings in the ordinary course of business.

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

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

ERNST & YOUNG
Ebène, Mauritius

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

Date: 6th August, 2018

SESA STERLITE MAURITIUS HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 USD	2017 USD
ASSETS			
Non-current asset			
Investments	5	-	-
Loan to related party	6	-	-
Total non-current asset		-	-
Current assets			
Cash and cash equivalents	7	-	1,906
Other receivables	8	-	-
Total current asset		-	1,906
Total assets		-	1,906
EQUITY AND LIABILITIES			
Equity			
Issued capital	9	5,761,548	5,727,156
Accumulated losses		(5,761,548)	(5,745,639)
Shareholder's deficit		-	(18,483)
Current liabilities			
Amounts due to related parties	10	-	14,638
Other payables	11	-	5,751
Total current liabilities		-	20,389
Total liabilities		-	20,389
Total equity and liabilities		-	1,906

These financial statements have been approved by the Liquidator and authorised for issue on 6th August, 2018

…………………………………………………………….
(Liquidator)

The notes on pages 11 to 21 form an integral part of these financial statements
Independent Auditor's report on page 4-6

SESA STERLITE MAURITIUS HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**2018**	2017
		USD	USD
EXPENSES			
Audit fees		(2,917)	(2,500)
Secretarial fees		(3,445)	(1,800)
Professional fees		(6,366)	(9,054)
Licence fees		(2,732)	(2,015)
		(15,460)	(15,369)
Finance cost	13	(449)	(11,478)
Loss before taxation		(15,909)	(26,847)
Income tax expense	14	-	-
Loss for the year		(15,909)	(26,847)
Other comprehensive income		-	-
Total comprehensive income for the year		(15,909)	(26,847)

The notes on pages 11 to 21 form an integral part of these financial statements
Independent Auditor's report on page 4-6

SESA STERLITE MAURITIUS HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Issued capital USD	Accumulated losses USD	Total Equity USD
At 1 April 2016	1	(5,718,792)	(5,718,791)
Issue of shares (refer to note 9.1)	5,727,155	-	5,727,155
Loss for the year and total comprehensive income	-	(26,847)	(26,847)
At 31 March 2017	5,727,156	(5,745,639)	(18,483)
At 1 April 2017	**5,727,156**	**(5,745,639)**	**(18,483)**
Issue of shares (Refer note 9.3)	**34,392**	**-**	**34,392**
Loss for the year and total comprehensive income	**-**	**(15,909)**	**(15,909)**
At 31 March 2018	**5,761,548**	**(5,761,548)**	**-**

The notes on pages 11 to 21 form an integral part of these financial statements
Independent Auditor's report on page 4-6

SESA STERLITE MAURITIUS HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Year ended 31 March 2018 USD	Year ended 31 March 2017 USD
Net cash used in operating activities	12	**(1,908)**	(2,443)
Investing activities			
Proceeds from disposal of investment	5	**-**	105,000,000
Interest received		**2**	3,160
Net cash from investing activities		**2**	105,003,160
Financing activities			
Loan to THL Zinc Ltd		**-**	(105,000,000)
Net cash used in financing activities		**-**	(105,000,000)
Net (decrease)/ increase in cash and cash equivalents		**(1,906)**	717
Cash and cash equivalents at the beginning of the year		**1,906**	1,189
Cash and cash equivalents at the end of the year		**-**	1,906

The notes on pages 11 to 21 form an integral part of these financial statements
Independent Auditor's report on page 4-6

SESA STERLITE MAURITIUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. **CORPORATE INFORMATION**

Sesa Sterlite Mauritius Holdings Limited (the "Company") was incorporated in Mauritius on 31 October 2012 under the name of Cairn Limited as a private company limited by shares under the Companies Act 2001 and was issued a Category 2 Global Business Licence at inception. Cairn Limited changed its name to Sesa Sterlite Mauritius Holdings Limited on 30 April 2013. The Company was issued a Category 1 Global Business License under the Financial Services Act 2007 on 18 June 2013. The Company's registered office is C/o SGG CORPORATE SERVICES (MAURITIUS) LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.
The Company's principal activities are investment holding and providing financial support to group companies. By way of a written resolution dated 26 March 2018, directors had recommended winding up to Shareholders and shareholders has resolved to winding up the companies.

2. **BASIS OF PREPARATION**

(a) **Basis of preparation**

The financial statements have been prepared on a historical-cost basis and are denominated in United States Dollars ("USD").

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) in addition to the following:
-All possible liablities that might arise from the deregistration have been accrued for.

(b) **Significant accounting judgements, estimates and assumptions**

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

Judgements

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

Going concern
The financial statements have not been prepared on a going concern basis (Refer note 18).

Estimates and assumptions

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

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

Changes in accounting policies
The accounting policies adopted in these financial statements are consistent with those of the previous financial year. There were a number of new standards and interpretation which were effective for this financial year, none of which have an impact of the Company.

Accounting standards and interpretations issued but not yet effective
A number of new standards, amendments to existing standards and interpretations have been issued and are not yet effective at the end of the issuance of the financial statements of the Company. Since, the Company has filed for liquidation, new standards, amendments to existing standards and interpretations issued and not effective at the date of the issuance of the financial statements of the Company, are not applicable/ relevant.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Functional and presentation currency

The liquidator consider USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. 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.Therefore, the Company's financial statements are prepared in USD.

Foreign currency translations

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

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

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

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

(b) Expense recognition

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

(c) 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

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

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 & 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

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

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

(c) Financial Instruments (cont'd)

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 carried at amortised cost

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

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

Derecognition of financial assets

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

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

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

Financial liabilities

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 and accruals.

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 profit or loss.

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

(c) Financial instruments (cont'd)

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.

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.

(d) Impairment of non financial assets

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

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

(e) Borrowing costs

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

(f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position 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 amounts expected to be paid to the tax authorities. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 substantively enacted by the financial position date 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 assets 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 a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax 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.

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

(g) 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.

(h) Current v/s Non -current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(i) Cash and cash equivalents

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

5. INVESTMENT

	2018 USD	2017 USD
As at 1 April	-	-
Addition during the year	-	105,000,000
Disposal during the year	-	(105,000,000)
At 31 March	-	-

During the year 2016-17, pursuant to a board meeting held on 23 January 2017, the directors authorized the Company to acquire 27,096,506 shares in Cairn India Limited (“Cairn”), an Indian-listed company from Twinstar Mauritius Holdings Limited, a company registered in Mauritius at a share price of USD 3.875 per equity share under ‘deferred sales consideration’ for the total consideration of USD 105,000,000, bearing an interest rate of 4% per annum till the date of settlement i.e. January 23, 2018.

Given the objective of the Vedanta Group was to consolidate its holding in Cairn India Limited and the Company being a wholly-owned subsidiary of Vedanta Limited (“Vedanta”), on 24 January 2017, the Company disposed of its entire shareholding in Cairn India Limited to Vedanta Limited at a share price of INR 264 per share for the total consideration of USD 105,000,000.

6. LOAN TO RELATED PARTY

	2018 USD	2017 USD
As at 1 April	-	-
Addition during the year	-	105,000,000
Less: Offset against amount payable to related party	-	(105,000,000)
At 31 March	-	-

On 24 January 2017, the Company entered into a loan facility of USD 110,000,000 with THL Zinc Ltd, a company registered in Mauritius, bearing an interest rate of 3.99% per annum and repayable within three years from the date of the loan agreement. During the year 2016-17, USD 105,000,000 was advanced under this facility.

Subsequently on 30 March, 2017, Twinstar Mauritius Holdings Limited (TSMHL), the Company and THL Zinc Ltd entered into an agreement of assignment whereby TSMHL has assigned its loan receivable of USD 105,000,000 and accrued interest thereon of USD 779,713 from the Company to THL Zinc Ltd. The consequent resultant payable to THL Zinc Ltd. has been offset against the loan and interest receivable from THL Zinc Ltd. and the balance remaining amount of USD 14,638 is shown as payable to THL Zinc Ltd (note 10).

7. CASH AND CASH EQUIVALENTS

	2018 USD	2017 USD
Cash at bank	-	1,906
As at the end of the year	-	1,906

For the reasons explained in note no 18, the Company has ceased to operate and cash at bank amouting to USD 1,457 was assigned to Bloom Fountain Limited ('BFL'), which has been further converted into equity by the Company.

8 OTHER RECEIVABLES

	2018 USD	2017 USD
Interest receivable on loan to related party	-	765,075
Less :Offset against amount payable to related party (refer note 6)	-	(765,075)
As at the end of the year	-	-

9 ISSUED CAPITAL

	2018	2017
Issued and Fully Paid	**USD**	USD
Ordinary shares of USD1 each		
At 1 April	**5,727,156**	1
Issued during the year (Refer note 9.3)	**34,392**	5,727,155
Total	**5,761,548**	5,727,156

9.1 Pursuant to a board meeting held on 6 January 2017, the directors authorized the Company to increase its stated capital from USD 1 to USD 5,727,156 by issuing 5,727,155 shares of USD 1 each to Vedanta Resources Holdings Limited (“VRHL”), the sole shareholder of the Company against a payable of USD 5,727,155 by the Company to VRHL. Following the issue of shares, VRHL transferred its 100% stake, comprising of 5,727,156 shares of USD 1 each held in the Company to Bloom Fountain Limited, a company incorporated and existing under the laws of Mauritius for a consideration of USD 1.

9.2 Ordinary shares carry one vote per share and carry a right to dividends and upon the winding up of the Company, the surplus assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of winding up, shall be distributed among the shareholders in proportion to their shareholding.

9.3 For the reasons explained in note 18, the Company has ceased to operate and net liabilities amouting to USD 34,392 have been assigned to Bloom Fountain Limited in consideration of issue of 34,392 shares of USD 1 each. Refer note no.19 for more details.

10 AMOUNTS DUE TO RELATED PARTIES

	2018 USD	2017 USD
Payable to former immediate holding company (Note 16)	**-**	5,727,155
Converted into Ordinary shares (Note 9)	**-**	(5,727,155)
Payable to intermediate holding company (Note 16)	**14,486**	-
Less: Assignment to Bloom Fountain Limited (Refer note 9.3)	**(14,486)**	-
Amount due to THL Zinc Ltd	**14,638**	14,638
Less: Assignment to Bloom Fountain Limited (Refer note 9.3)	**(14,638)**	-
Amount payable to related party (Note 16)	**-**	105,000,000
Less: Offset against loan to related party (Note 6)	**-**	(105,000,000)
	-	14,638

During the year 2016-17, the Company’s intermediate holding company, Vedanta Resources Plc (“VRPlc”) settled expenses amounting to USD 14,651 on behalf of the Company, resulting in a net payable of USD 42,796 to VRPlc as at 6 January 2017. VRPlc assigned the aforesaid receivable from the Company to Vedanta Resources Holdings Limited (‘VRHL’), the Company’s former immediate holding company, resulting in a net payable of USD 5,727,155 to VRHL. The said amount was thereafter converted into ordinary shares as explained under note 9 above.

During the current year, the Company's intermediate holding company, VRPlc settled expenses amounting to USD 14,486 on behalf of the Company resulting in a net payable of USD 14,486 to VRPlc. Further, during the year, USD 14,486 payable to VRPlc and USD 14,638 payable to THL Zinc Ltd., total amounting to USD 29,124 has been assigned to Bloom Fountain limited ('BFL') as part of net liabilities on account of cessation of business of the Company and consequent filing for liquidation (Refer note 19).

11 OTHER PAYABLES

	2018 USD	2017 USD
Accruals (Note 11.1)	**6,725**	5,751
Less: Assignment to Bloom Fountain Limited (Refer note 9.3)	**(6,725)**	-
	-	5,751

For the reasons explained in note no 18, the Company has ceased to operate and the other payables amouting to USD 6,725 were assigned to Bloom Fountain Limited ('BFL'), which has been further converted into equity by the Company (Refer Note 19).

12. NET CASH USED IN OPERATING ACTIVITIES

	2018 USD	2017 USD
Loss before tax	**(15,909)**	(26,847)
Adjustments for:		
Expenses borne by related party on behalf of the Company (refer note 10)	**-**	14,651
Interest income	**(2)**	(768,235)
Interest expense	**-**	779,713
Assignment of net liabilities to holding company (net of cash and cash equivalents of USD 1,457 (Refer note 9.3)	**15,460**	
Changes in working capital:		
Increase/ (decrease) in other payables	**-**	(1,725)
Assignment of cash at bank to BFL *	**(1,457)**	-
Net cash used in operating activities	**(1,908)**	(2,443)

* For the reasons explained in note no 18, the Company has ceased to operate and cash at bank balance amouting to USD 1,457 was assigned to BFL.

13. NET FINANCE COSTS

	2018 USD	2017 USD
Interest income:		
-On loan to related party	-	(768,075)
-On bank balance	**(2)**	(160)
	(2)	(768,235)
Interest expense on deferred consideration payable to related party (refer note 6)	-	779,713
Bank charges	**451**	-
	449	11,478

14. INCOME TAX

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

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax.

As explained in the commentary of the liquidator, during the year the Company entered into liquidation.

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2018 USD	2017 USD
Loss before income tax	**(15,909)**	(26,847)
Income tax @15%	**(2,386)**	(4,027)
Add - Unused tax losses not recognised as deferred tax assets	**2,386**	4,027
Income tax expense recognised in profit and loss	**-**	-

SESA STERLITE MAURITIUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

15. FINANCIAL INSTRUMENTS

Fair values

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

As at 31 March 2018, the Company has no financial assets or financial liabilities as it assigned its net liabilities to its holding company Bloom Fountain Limited and it filed for liquidation on 28 March 2018.

	Total USD
At 31 March 2017	
Financial assets	
Cash and cash equivalents	1,906
Total financial assets	1,906
Financial liabilities	
Amount due to related party	14,638
Other payables	5,751
Total financial liabilities	20,389

Currency Risk Management

Currency profile

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

	Financial assets as at 31 March 2018	**Financial liabilities as at 31 March 2018**	Financial assets as at 31 March 2017	Financial liabilities as at 31 March 2017
United States Dollars	-	-	1,906	20,389

For the year ended 31 March 2018 and year ended 31 March 2017, the Company does not have any exposure to foreign currencies. Therefore, sensitivity relative to foreign currencies has not been disclosed.

Market Risk
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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
As at 31 March 2018 and 31 March 2017, the Company did not have any interest bearing financial assets and liabilities, and hence, was not exposed to interest rate risk.

Credit risk
The Company has no significant concentration of credit risk and has established policies to minimise such risk.

Liquidity risk

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

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

The liabilities maturing would be met from internal accruals and support from the parent company, Vedanta Limited (formerly known as Sesa Sterlite Limited). The parent company has strong statement of financial position that gives sufficient headroom to raise further debt should the need arise. The parent company's current long term ratings from CRISIL and India Ratings and Research is AA. These ratings support the necessary financial leverage and access to debt or equity markets at competitive terms. The Company generally maintains a healthy net gearing ratio and retains flexibility in the financing structure to alter the ratio when the need arises.

As at 31 March 2018, the Company has no liquidity risk as it assigned its net liabilities to its holding company Bloom Fountain Limited and filed for liquidation on 28 March 2018.

31 March 2017

	On Demand	**3 months to 1 year**	**More than 1 year**	**Total**
	USD	**USD**	**USD**	**USD**
Financial liabilities				
Amount due to related party	14,638	-	-	14,638
Other payables and accruals	-	5,751	-	5,751
Total	14,638	5,751	-	20,389

SESA STERLITE MAURITIUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

15. **FINANCIAL INSTRUMENTS (CONT'D)**

Capital risk management

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

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

16 **RELATED PARTY TRANSACTIONS**

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

Name of Company	Relationship	Nature of transaction	2018	2017
			USD	USD
Transactions				
Vedanta Resources Plc	Intermediate holding company	Payment of expenses	**14,486**	14,651
		Assignment of payable to VRHL by VRPlc	**14,486**	42,796
		Assignment of payable to BFL (Refer Note 10 and 19)		
Vedanta Resources Holdings Limited(VRHL)	Former Intermediate holding company	Issue of shares	**-**	5,727,155
THL Zinc Ltd	Group company	Loan given	**-**	105,000,000
		Interest Income	**-**	768,075
		Loan interest received	**-**	3,000
		Assignment of payable to BFL (Refer Note 10 and 19)	**14,638**	
Twin Star Mauritius Holdings Limited	Group company	Purchase of Investments (refer note 5)	**-**	105,000,000
		Interest expense	**-**	779,713
Vedanta Limited	Intermediate Holding company	Sale of Investment (Refer note 5)	**-**	105,000,000
Bloom Fountain Limited	Immediate holding company	Assignment of net liabilities payable (Refer Note 19)	**34,392**	-
		Conversion of payables into equity	**34,392**	-
			2018	2017
Outstanding balances			**USD**	USD
THL Zinc Ltd	Group Company	Other Payable (Refer Note 10)	**-**	14,638

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

Other related party transactions
Fees charged by management of the Company

	2018	2017
	USD	USD
Transactions		
Total fees charged by SGG Corporate Services (Mauritius) Ltd	11,794	7,050

Included in total fees charged by management entity, is an amount of USD 2,827 (2017: USD 2,000) pertaining to professional fees for the provision of directorship services.

Fees payable to management entity	-	2,500

17. IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANY

Following the issue and transfer of shares as disclosed in note 9, the Company's immediate holding company is Bloom Fountain Limited, incorporated in Mauritius. The Company's intermediate holding companies are Vedanta Limited, a company incorporated in India and Vedanta Resources Plc, a company incorporated in the United Kingdom. The ultimate holding company is Volcan Investments Limited, a company incorporated in the Bahamas.

18. GOING CONCERN

The shareholders have approved the voluntary winding up of the Company by way of a written resolution dated 26 March 2018. Accordingly, the Company is undergoing liquidation process and will no longer be going concern.

IAS 1- Presentation of financial statements and *IAS 10- Events after reporting period* require that the financial statements should not be prepared on a going concern basis if management determines that it intends to liquidate the entity or cease trading. The liquidator have considered an alternative basis of preparation but believe that IFRS as a basis of preparation best reflects the financial position and performance of the entity. Consideration has been given to whether any additional provisions are necessary as a result of management's intention to liquidate the Company in the foreseeable future.

19. ASSIGNMENT TO BLOOM FOUNTAIN LIMITED

Bloom Fountain Limited, being the holding company, has been assigned the net liabilities of the Company, pursuant to its filing for liquidation, as approved by the directors by way of a resolution dated 26 March 2018. In consideration to the above assignment of net liablities, equity shares have been issued for an equivalent amount (Refer note 9). The details of assignment are as follows:

	USD
Amounts due to related parties (Refer note 10)	29,124
Other payables (Refer note 11)	6,725
Cash and cash equivalents (Refer note 7)	(1,457)
Net liablities	**34,392**