THL ZINC VENTURES LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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FOR THE YEAR ENDED 31 MARCH 2018

THL ZINC VENTURES LTD
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS:	Gyaneshwarnath Gowrea	17-Nov-10	-
	Doomraj Sooneelall	30-Jun-15	-
	Deepak Kumar	28-Oct-16	14-Feb-18
	Sanjay Kumar Pandit	14-Feb-18	-

ADMINISTRATOR AND SECRETARY:

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

REGISTERED OFFICE:

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

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 I
Cybercity
Ebène
Mauritius

THL ZINC VENTURES LTD
COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of THL Zinc Ventures Ltd (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

RESULTS AND DIVIDEND

The Company's loss for the year ended 31 March 2018 is **USD 26,404** (2017: USD 12,859).

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

SIGNIFICANT EVENT DURING PREVIOUS YEAR

During the previous year 2016-17, the merger of Cairn India Limited ("Cairn India"), a fellow subsidiary, into the Company's immediate holding company, Vedanta Limited ("Vedanta"), was substantially completed and was implemented in the month of April 2017 by allotment of shares of Vedanta to the shareholders of Cairn India. As per the terms of the Scheme of merger, Vedanta and its subsidiaries (including Twin Star Mauritius Holdings Limited ("TSMHL")) did not receive any consideration in lieu of their holding in Cairn India which stood extinguished upon merger being implemeneted.

Accordingly, THL Zinc Limited, the subsidiary of the Company, recognised a provision for impairment against the loan it had extended to TSMHL. As a result, during the current year, the Company has made an impairment provision of USD 716,331 (2017: USD 503,772,493) against the investment in the Optionally Convertible Redeemable Preference Shares issued by THL Zinc Limited and the effects of the same were carried through the statement of changes in equity.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are 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, 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 and to enable them to ensure that the financial statements comply with the Companies Act 2001.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

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

THL ZINC VENTURES LTD

CERTIFICATE FROM THE SECRETARY

TO THE MEMBER OF THL ZINC VENTURES LTD
(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 Directors and Sole Shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2018, all such returns as required of the Company under the Companies Act 2001.

Authorised Signatory
Date:

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THL ZINC VENTURES LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of THL Zinc Ventures Ltd (the "Company") set out on pages 7 to 25 which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of Directors 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 Directors for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THL ZINC VENTURES LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THL ZINC VENTURES LTD (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Use of our report

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

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

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

ERNST & YOUNG
Ebène, Mauritius

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

Date: August 13, 2018

THL ZINC VENTURES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 USD	2017 USD
ASSETS			
Non-current asset			
Investment in subsidiary	5	**204,512,176**	205,228,507
Current assets			
Other receivables	6	**488,632**	483,728
Cash and cash equivalents		**19,683**	20,113
Total current assets		**508,315**	503,841
TOTAL ASSETS		**205,020,491**	205,732,348
EQUITY AND LIABILITIES			
Equity			
Issued capital	7	**10,000,001**	10,000,001
Other equity reserve	5	**(504,488,824)**	(503,772,493)
Accumulated losses		**(664,056)**	(637,652)
Shareholders' deficit		**(495,152,879)**	(494,410,144)
Non-current liabilities			
Optionally Convertible Redeemable Preference Shares	8	**700,000,000**	700,000,000
Current liabilities			
Other payables	9	**173,370**	142,492
Total liabilities		**700,173,370**	700,142,492
TOTAL EQUITY AND LIABILITIES		**205,020,491**	205,732,348

These financial statements have been approved by the Board of Directors and authorised for issued on August 13, 2018.

……………………………… ………………………………
Director **Director**

The notes on pages 11 to 25 form an integral part of these financial statements
Independent Auditor's report on pages 4 to 6

THL ZINC VENTURES LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**2018**	2017
		USD	USD
INCOME			
Interest income	11	**4,924**	17,515
ADMINISTRATIVE EXPENSES			
Filing & registration fees		**(2,567)**	(2,015)
Professional fees		**(7,673)**	(8,200)
Audit fees		**(3,142)**	(2,500)
		(13,382)	(12,715)
FINANCE COSTS	12	**(17,946)**	(17,659)
Loss before tax		**(26,404)**	(12,859)
Income tax expense	13	**-**	-
Loss for the year		**(26,404)**	(12,859)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(26,404)**	(12,859)

The notes on pages 11 to 25 form an integral part of these financial statements
Independent Auditor's report on pages 4 to 6

THL ZINC VENTURES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Issued capital USD	Other Equity reserve USD	Accumulated losses USD	Total equity USD
At 1 April 2016	10,000,001	-	(624,793)	9,375,208
Loss for the year and total comprehensive loss	-	-	(12,859)	(12,859)
Impairment of Investment (refer to note 5)	-	(503,772,493)	-	(503,772,493)
At 31 March 2017	10,000,001	(503,772,493)	(637,652)	(494,410,144)
At 1 April 2017	**10,000,001**	**(503,772,493)**	**(637,652)**	**(494,410,144)**
Loss for the year and total comprehensive loss	**-**	**-**	**(26,404)**	**(26,404)**
Impairment of Investment (refer to note 5)	**-**	**(716,331)**	**-**	**(716,331)**
At 31 March 2018	**10,000,001**	**(504,488,824)**	**(664,056)**	**(495,152,879)**

The notes on pages 11 to 25 form an integral part of these financial statements
Independent Auditor's report on pages 4 to 6

THL ZINC VENTURES LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 USD	2017 USD
Cash flows from operating activities			
Net cash used in operating activities	10	**(450)**	(163)
Investing activities			
Interest received on bank balance	11	**20**	19
Net cash from investing activities		**20**	19
Net decrease in cash and cash equivalents		**(430)**	(144)
Cash and cash equivalents at beginning of year		**20,113**	20,257
Cash and cash equivalents at end of year		**19,683**	20,113

1 **CORPORATE INFORMATION**

THL Zinc Ventures Ltd (the "Company") was incorporated in Mauritius, under the Mauritius Companies Act 2001, on 28 February 2008 as a private company. The Company was set up as a Category 2 Global Business Licence company and pursuant to a shareholder resolution of 18 November 2010, the Company changed its legal regime to a Category 1 Global Business Licence company. The Company's registered office address is c/o SGG Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, Mauritius. The Company's principal activity is investment holding.

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 have been prepared on a historical-cost basis and are denominated in United States Dollars (“USD”).

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

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

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.

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 17 for more details.

Estimates and assumptions

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

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

3.1 Changes in accounting policies

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

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

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

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

3.1 Changes in accounting policies (Cont'd)

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

3.2 Accounting standards and interpretations issued but not yet effective

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

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

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

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

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

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

IFRS 15 – Revenue from Contracts with Customers
Since, the Company does not have any revenue from contracts with customers, this standard is not applicable to the Company

IFRS 16 - Leases
Since, the Company does not have any leasing arrangements, this standard is not applicable to the Company.

Amendments resulting from Annual Improvements to IFRSs 2014-2016 Cycle: The amendments, comprising of changes in IFRS 1 and IAS 28 are effective for annual periods beginning on or after 01 January 2018, although entities are permitted to apply them earlier.

3.2 Accounting standards and interpretations issued but not yet effective (Cont'd)

Amendments resulting from Annual Improvements to IFRSs 2015-2017 Cycle: The amendments, comprising of changes in IFRS 3, IAS 12 and IAS 23 are effective for annual periods beginning on or after 01 January 2019, although entities are permitted to apply them earlier.

IFRIC 22: Foreign Currency Transactions and Advance Consideration: The Interpretation, which was issued on 08 December 2016, addresses how to determine the date of a transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) when a related non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency is derecognised. The amendments are effective for annual periods beginning on or after 01 January 2018, although entities are permitted to apply them earlier, subject to EU endorsement.

IAS 40 Investment Property: This standard is not applicable to the Company.

IFRS 2 Share-based Payment: This standard is not applicable to the Company.

IFRS 4 Insurance Contracts: This standard is not applicable to the Company.

IAS 28 Investments in Associates and Joint Ventures: It is clarified here that an entity applies IFRS 9 to long-term interests in associates or joint ventures that form part of the net investment where the equity method is not applied. The amendments are effective for periods beginning on or after 01 January 2019.

IFRIC 23 Uncertainty over Income Tax Treatments:This interpretation addresses the accounting for income taxes when there is uncertainty over income tax treatments that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.. The Interpretation is effective for annual reporting periods beginning on or after 01 January 2019.

IFRS 17 Insurance Contracts: This standard is not applicable to the Company.

4 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Functional and presentation currency

The directors consider United States Dollar ("USD") to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives capital contribution from its investors.This determination also considers the competitive environment in which the Company operates. Therefore, the Company's financial statements are presented in USD.

Foreign currency translations

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined.

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

(b) Revenue recognition

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

Interest income

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

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

(c) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(d) Expense Recognition

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

(e) Investment in subsidiary

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investments,the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

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

(f) 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 other receivables and cash and cash equivalents.

Loans and receivables

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

Effective interest method

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

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

(f) 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 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. 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.

(g) 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 optionally convertible redeemable preference shares ("OCRPS")

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

(g) **Financial liabilities (Cont'd)**

Loans and borrowings

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

Derecognition of financial liabilities

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

(h) Impairment of non financial assets

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

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

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

(i) Borrowing costs

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

(j) 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.

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

(j) Taxation (Cont'd)

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 taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(k) 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.

(l) Current v/s Non -current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

(m) Cash and cash equivalents

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

THL ZINC VENTURES LTD
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

5 INVESTMENT IN SUBSIDIARY

	2018 USD	2017 USD
THL Zinc Limited	**204,512,176**	205,228,507

Details of the investments held in subsidiary during the year are provided below:

	Company	Principal Activity	Types of Shares	No of Shares Held 2018 and 2017	Proportion of ownership interests 2018	Proportion of ownership interests 2017	2018 USD	2017 USD
(a)	THL Zinc Ltd	Investment holding	Ordinary	91,000	**100%**	100%	**9,001,000**	9,001,000
(b)	THL Zinc Ltd	Investment holding	OCRPS	7,000,000	**78.1%**	78.1%	**700,000,000**	700,000,000
							(504,488,824)	(503,772,493)
	Total (b)						**195,511,176**	196,227,507
	Total						**204,512,176**	205,228,507

The OCRPS carry interest at the rate of 0.25% p.a.. Each OCRPS can be converted at the option of the investor into a variable number of equity shares and can be redeemed at the option of the issuer at any time. The directors have confirmed that they will not opt for conversion within the next twelve months.

During the year 2016-17, the merger of Cairn India Limited (“Cairn India”), a fellow subsidiary, into the Company's immediate holding company, Vedanta Limited (“Vedanta"), was substantially completed and was implemented in the month of April 2017 by allotment of shares of Vedanta to the shareholders of Cairn India. As per the terms of the Scheme of merger, Vedanta and its subsidiaries (including Twinstar Mauritius Holdings Limited (TSMHL)) did not receive any consideration in lieu of their holding in Cairn India which stood extinguished upon the merger being implemented.

Accordingly, THL Zinc Ltd, the subsidiary of the Company, recognised a provision for impairment against the loan it had extended to TSMHL. As a result, during the previous year 2016-17, the Company has made an impairment provision of USD 503,772,493 against the investment in OCRPS issued by THL Zinc Limited. and the effects of the same were carried through the statement of changes in equity. During the current year 2017-2018, a further impairment provision of USD 716,331 was made as TSMHL filed for liquidation and has no assets to repay back the loan to THL Zinc Limited.

6 OTHER RECEIVABLES

	2018 USD	2017 USD
Amount due from THL Zinc Ltd (Refer note 14)	**373,000**	373,000
Interest on OCRPS (Refer note 14)	**115,632**	110,728
	488,632	483,728

The amount due from THL Zinc Ltd, the subsidiary, is unsecured, interest free and repayable on demand.

7 ISSUED CAPITAL

Ordinary shares	**2018**	2017
	USD	USD
Issued and Fully Paid		
At 1 April and 31 March	**10,000,001**	10,000,001

The shares in the capital of the Company comprise of 1 ordinary share of USD 1 per share and 100,000 ordinary shares of par value USD 100 each, issued to Vedanta Limited.

The ordinary shares carry voting rights and a right to dividend.

Pursuant to a shareholder's resolution dated 3 December 2010, there has been an alteration in the capital structure of the Company such that henceforth all subsequent issuance of ordinary shares will be made at a par value of USD 100. There was no change to the existing 1 ordinary share of no par value.

8 OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS")

The Company has issued 7 Million, 0.25% Optionally Convertible Redeemable Preference Shares (OCRPS) of USD 1 each with a premium of USD 99 each to Vedanta Limited, the immediate holding company, incorporated in India pursuant to a board resolution dated 3 December 2010. Each OCRPS can be converted at the option of the investor into a variable number of equity shares and can be redeemed at the option of the Company. The directors confirm that the OCRPS will not be redeemed within the next twelve months.

In accordance with paragraph 16 of IAS 32 Financial Instruments: Presentation, the OCRPS have been classified as a liability.

Vedanta Limited have confirmed that the OCRPS will not be converted into equity shares within the next twelve months.

9 OTHER PAYABLES

	2018	2017
	USD	USD
Audit fees	**2,725**	2,500
Other payables	**42,421**	29,264
Accrued interest on OCRPS	**128,224**	110,728
At 31 March	**173,370**	142,492

10 NET CASH USED IN OPERATING ACTIVITIES

	2018	2017
	USD	USD
Loss before tax	**(26,404)**	(12,859)
Adjustments for:		
- Interest income	**(4,924)**	(17,515)
- Interest expense	**17,496**	17,496
Changes in working capital:		
Increase in other receivables	**-**	(17,496)
Increase in other payables	**13,382**	30,211
Operating loss before working capital changes	**(450)**	(163)

THL ZINC VENTURES LTD
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

11 INCOME INCOME

	2018	2017
	USD	USD
Interest on OCRPS	**4,904**	17,496
Interest on Bank balance	**20**	19
	4,924	17,515

12 FINANCE COSTS

	2018	2017
	USD	USD
Interest on OCRPS	**17,496**	17,496
Bank Charges	**450**	163
	17,946	17,659

13 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.

At 31 March 2018, the Company had tax losses of **USD 82,734** (2017: USD 78,472). Losses incurred in an income year may be carried forward to be set off against net income of the following 5 income years only and accordingly tax losses of USD 575,150 for FY 2012-13 have been lapsed as they were being carried forward for more than 5 years. The accumulated tax losses at 31 March 2018 are available for set off against any taxable income, as follows:

Loss relating to financial year ending	Carry forward up to financial year ending:	USD
31 March 2014	31 March 2019	**13,474**
31 March 2015	31 March 2020	**14,519**
31 March 2016	31 March 2021	**15,439**
31 March 2017	31 March 2022	**12,878**
31 March 2018	31 March 2023	**26,424**
		82,734

The directors have in accordance with the Company's accounting policy not recognised a deferred tax asset as the probability of taxable profit arising in future is remote.

Tax reconciliation

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

	2018	2017
	USD	USD
Loss before income tax	**(26,404)**	(12,859)
Income tax @15%	**(3,961)**	(1,929)
Less - Exempt Income	**(3)**	(3)
Add - Effect of unused tax losses not recognised as deferred tax assets	**3,964**	1,932
Income tax expense recognised in profit and loss	**-**	-

14 RELATED PARTY TRANSACTIONS

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

Name of company	Relationship	Nature of Transaction	2018 USD	2017 USD
THL Zinc Ltd	Subsidiary	Interest income on OCRPS	**4,904**	17,496
Vedanta Limited	Immediate holding company	Interest on OCRPS	**17,496**	17,496
Vedanta Resources Plc	Intermediate holding company	Reimbursement of expenses	**12,407**	15,649
Outstanding balances				
THL Zinc Ltd	Subsidiary	Receivable	**373,000**	373,000
THL Zinc Ltd	Subsidiary	Interest receivable on OCRPS	**115,632**	110,728
Vedanta Limited	Immediate holding company	Interest payable on OCRPS	**128,224**	110,728
Vedanta Resources Plc	Intermediate holding company	Other payables	**38,421**	26,014
Vedanta Limited	Immediate holding company	OCRPS	**700,000,000**	700,000,000

The interest payable on OCRPS is unsecured and do not have any repayment terms.

Other related party transactions

SGG Corporate Services (Mauritius) Ltd performs certain administration and related services for the Company. A sum amounting to USD 10,240 (2017: USD 10,215) which includes professional fees for the provision of directorship services of USD 2,000 (2017: USD 2,000) was expensed during the year in respect of the aforesaid services. No compensation to key management personnel was paid during the year (2017 : Nil).

15 FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of other receivables, cash and cash equivalents, and other payables approximate their fair values.

Categories of financial instruments

	2018 USD	2017 USD
Financial assets		
Other receivables	**488,632**	483,728
Cash and cash equivalents	**19,683**	20,113
	508,315	503,841
Financial liabilities		
Optionally Convertible Redeemable Preference Shares	**700,000,000**	700,000,000
Other payables	**173,370**	142,492
	700,173,370	700,142,492

15 FINANCIAL INSTRUMENTS (CONT'D)

Currency profile

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

	Financial assets 2018	**Financial liabilities 2018**	Financial assets 2017	Financial liabilities 2017
	USD	**USD**	USD	USD
United States Dollars	**508,315**	**700,173,370**	503,841	700,142,492

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.

(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. Any excess cash and cash equivalents of the Company are invested in short-term time deposits and liquid funds.

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

31 March 2018	**Interest bearing**	**Non-interest bearing**	**Total**
	USD	**USD**	**USD**
Assets			
Other receivables	**-**	**488,632**	**488,632**
Cash and cash equivalents	**19,683**	**-**	**19,683**
Total assets	**19,683**	**488,632**	**508,315**
Liabilities			
Optionally Convertible Redeemable Preference Shares	**700,000,000**	**-**	**700,000,000**
Other payables	**-**	**173,370**	**173,370**
Total liabilities	**700,000,000**	**173,370**	**700,173,370**

15 FINANCIAL INSTRUMENTS (CONT'D)

(b) Interest Rate Risk Management (cont'd)

31 March 2017	Interest bearing	Non-interest bearing	Total
	USD	USD	USD
Assets			
Other receivables	-	483,728	483,728
Cash and cash equivalents	20,113	-	20,113
Total assets	20,113	483,728	503,841
Liabilities			
Optionally Convertible Redeemable Preference Shares	700,000,000	-	700,000,000
Other payables	-	142,492	142,492
Total liabilities	700,000,000	142,492	700,142,492

As at March 31, 2018 and March 31, 2017, the Company does not have any exposure to variable rate financial assets and liabilities, hence there is no interest rate risk.

(c) 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 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 maturity profile of the Company's financial liabilities.

31 March 2018	**Up to 1 year**	**More than 1 year**	**Total**
	USD	**USD**	**USD**
Liabilities			
Optionally Convertible Redeemable Preference Shares	-	**700,000,000**	**700,000,000**
Other payables	**173,370**	**-**	**173,370**
Total	**173,370**	**700,000,000**	**700,173,370**

31 March 2017	Up to 1 year	More than 1 year	Total
	USD	USD	USD
Liabilities			
Optionally Convertible Redeemable Preference Shares	-	700,000,000	700,000,000
Other payables	142,492	-	142,492
Total	142,492	700,000,000	700,142,492

15 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital risk management

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

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

The company monitors capital using a gearing ratio, which is net debt divided by total capital. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

The capital structure of the Company consists of stated capital and equity.

Gearing ratio

The gearing ratio at the year end was as follows:

	2018	2017
	USD	USD
Debt (i)	**700,000,000**	700,000,000
Cash and cash equivalents	**(19,683)**	(20,113)
Net debt	**699,980,317**	699,979,887
Equity (ii)	**(495,152,879)**	(494,410,144)
Net debt to equity ratio (times)	**N/A**	N/A

(i) Debt is defined as long-term and short-term borrowings.
(ii) Equity includes all capital and equity.

(e) Currency risk management

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in United States Dollar which is the functional currency of the Company.

The investments in the subsidiary is denominated in United States dollars and therefore, the Company is not exposed to movement in exchange rates on realisation of the investments.

(f) Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instrument are disclosed in note 4 to the financial statements.

16 IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANY

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

17 **GOING CONCERN**

The Company incurred a net loss of USD 26,404 (2017: USD 12,859) for the year ended 31 March 2018 and as at that date, its total liabilities exceeded its total assets by USD 495,152,879 (2017: USD 494,410,144)

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 12 months. The Company owns investments which have positive net asset values and which are profitable which provides the directors with comfort that support will continue to be provided by the group or could be obtained from the subsidiaries.

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

18 **EVENTS AFTER THE REPORTING PERIOD**

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

19 **COMPARITIVES**

The previous year figures have been regrouped/ rearranged, wherever necessary, to conform to current period presentation.