TWIN STAR MAURITIUS HOLDINGS LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS **PAGE**

TWIN STAR MAURITIUS HOLDINGS LTD.
CORPORATE DATA

		Date of appointment	Date of resignation
DIRECTORS:	Gyaneshwarnath Gowrea	1-Nov-10	-
	Doomraj Sooneelall	30-Jun-15	-
	Deepak Kumar	28-Oct-16	14-Feb-18
	Arvind Giri	14-Feb-18	
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")
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 1
Cybercity
Ebène
Mauritius

TWIN STAR MAURITIUS HOLDINGS LTD.
COMMENTARY OF THE LIQUIDATOR

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

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

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 162,137,608** (2017: USD 187,324,729).

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

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.

They are 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.

TWIN STAR MAURITIUS HOLDINGS LTD.

CERTIFICATE FROM THE SECRETARY

TO THE MEMBER OF TWIN STAR MAURITIUS HOLDINGS 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 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: August 6, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TWIN STAR MAURITIUS HOLDINGS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Twin Star Mauritius Holdings Ltd (the "Company") on pages 7 to 26 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 19 of 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.

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 is 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' 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 company 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.

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: August 6, 2018

TWIN STAR MAURITIUS HOLDINGS LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	**As at 31 March 2018 USD**	As at 31 March 2017 USD
ASSETS			
Non-current asset			
Investment in associate	5	-	-
Total non-current asset		-	-
Current assets			
Other receivables	6	**-**	-
Cash and cash equivalents	7	**-**	2,797,816
Total current assets		**-**	2,797,816
TOTAL ASSETS		**-**	2,797,816
EQUITY AND LIABILITIES			
Equity			
Issued capital	8	**6,858,165,688**	6,000,001
Other equity reserve	5	**(2,665,873,723)**	(2,665,873,723)
Accumulated Losses		**(4,192,291,965)**	(4,030,154,357)
Shareholder's deficit		**-**	(6,690,028,079)
Non-current liabilities			
Borrowings	10	**-**	1,249,910,000
Total non-current liabilities		**-**	1,249,910,000
Current liabilities			
Redeemable Preference Shares	9	**-**	2,200,000,000
Borrowings	10	**-**	3,142,117,896
Other payables and accruals	11	**-**	100,797,999
Total current liabilities		**-**	5,442,915,895
Total liabilities		**-**	6,692,825,895
TOTAL EQUITY AND LIABILITIES		**-**	2,797,816

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

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(Liquidator)

The notes on pages 11 to 26 form an integral part of these financial statements
Independent Auditor's report on page 4-6

TWIN STAR MAURITIUS HOLDINGS LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018 USD	31 March 2017 USD
INCOME			
Dividend income	13	**-**	28,857,137
Interest income	13	**1,051**	855,273
		1,051	29,712,410
ADMINISTRATIVE EXPENSES			
Licence fees		**(2,787)**	(2,015)
Professional fees		**(13,009)**	(11,076)
Audit fees		**(32,339)**	(29,000)
		(48,135)	(42,091)
Loss on disposal of investment	5	**-**	(11,812,878)
		-	(11,812,878)
FINANCE COSTS			
Bank charges	14	**(5,202)**	(14,099)
Interests on borrowings	14	**(162,085,322)**	(205,168,071)
LOSS BEFORE TAXATION		**(162,137,608)**	(187,324,729)
Income tax expense	15	**-**	-
LOSS FOR THE YEAR		**(162,137,608)**	(187,324,729)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(162,137,608)**	(187,324,729)

TWIN STAR MAURITIUS HOLDINGS LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Issued capital USD	Other Equity reserve USD	Accumulated losses USD	Shareholder's deficit USD
At 1 April 2016	6,000,001	-	(3,842,829,628)	(3,836,829,627)
Loss for the year and total comprehensive income	-	-	(187,324,729)	(187,324,729)
Cancellation of investment in Cairn India Ltd. (refer to note 5)	-	(2,665,873,723)	-	(2,665,873,723)
At 31 March 2017	6,000,001	(2,665,873,723)	(4,030,154,357)	(6,690,028,079)
At 1 April 2017	**6,000,001**	**(2,665,873,723)**	**(4,030,154,357)**	**(6,690,028,079)**
Issue of shares (Refer note 8.2)	**6,852,165,687**	**-**	**-**	**6,852,165,687**
Loss for the year and total comprehensive income	**-**	**-**	**(162,137,608)**	**(162,137,608)**
At 31 March 2018	**6,858,165,688**	**(2,665,873,723)**	**(4,192,291,965)**	**-**

TWIN STAR MAURITIUS HOLDINGS LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**Year ended 31 March 2018 USD**	Year ended 31 March 2017 USD
Cash flows from operating activities			
Net cash (used in)/ generated from operating activities	12	**(53,433)**	27,454,773
Financing activities			
Proceeds from issue of Redeemable Preference Shares		**-**	2,200,000,000
Proceeds from borrowings		**1,055,000,000**	181,199,000
Repayment of borrowings		**(1,050,000,000)**	(2,234,296,337)
Borrowings fee paid		**-**	(159,209)
Interest paid		**(7,744,383)**	(172,237,449)
Net cash used in financing activities		**(2,744,383)**	(25,493,995)
Net (decrease)/ increase in cash and cash equivalents		**(2,797,816)**	1,960,778
Cash and cash equivalents at the beginning of the year		**2,797,816**	837,038
Cash and cash equivalents at the end of the year		**-**	2,797,816

The notes on pages 11 to 26 form an integral part of these financial statements
Independent Auditor's report on page 4-6

1. CORPORATE INFORMATION

Twin Star Mauritius Holdings Limited (the "Company") was incorporated in Mauritius as Great Heights Limited, under the Mauritius Companies Act 2001, on 21 September 2010 as a private company. The Company was set up as a Category 2 Global Business Licence company and pursuant to a shareholder's resolution of 1 November 2010, the Company changed its legal regime to a Category 1 Global Business Licence company. On 1 November 2010, Great Heights Limited changed its name to Twin Star Mauritius Holdings Limited. pursuant to a special resolution. The Company's registered office address is c/o SGG CORPORATE SERVICES (MAURITIUS) LTD, Les Cascades Buildings, Edith Cavell Street, Port Louis, Mauritius.

The Company's principal activity is investment holding. 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 19).

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

3.1 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.

3.2 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 is being liquidated, 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 most 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 translated at the functional currency spot rates 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.

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholder's approve the dividend.

(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) Investment in associate

Investment in associate is stated at cost. Any impairment in the value of the investment is recognised by recognising a provision for impairment against the carrying amount of the investment and charging the difference to the statement of profit or loss and other comprehensive income. On disposal of an investment the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

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

(e) Expense Recognition

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

(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 loan to related party, other receivables and cash and cash equivalents.

Loans and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a 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.

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 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.

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

(f) Financial Instruments (cont'd)

Financial assets carried at amortized cost (cont'd)

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) when:
• The rights to receive cash flows from the asset have expired or

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

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 loans and borrowings.

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.

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

(g) Financial liabilities (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.

(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.

(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.

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.

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

(j) Taxation (cont'd)

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.

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

(m) 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.

TWIN STAR MAURITIUS HOLDINGS LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

5. INVESTMENT IN ASSOCIATE

	2018	2017
	USD	USD
At 1 April	**-**	2,782,686,601
Disposal of investment	**-**	(116,812,878)
Impairment of Investment	**-**	(2,665,873,723)
At 31 March	**-**	-

The Company measures its investment in associate at cost less impairment. During the year 2016-17 subsequent to the merger of Cairn India Limited with Vedanta Limited, the investment that the Company held in Cairn India Limited stands cancelled and hence the Company has provided for impairment on its investment held in Cairn India Ltd.

During the year 2016-17, the Company had sold 1.45% of its stake in Cairn India i.e. 27,096,506 equity shares to a group company, Sesa Sterlite Mauritius Holdings Limited. The investment was sold under deferred sales consideration for USD 105,000,000 and the company recorded a loss on sale of this investment at USD 11,812,878. Consequently, the shareholding pattern had changed from 34.43% to 32.98% which ultimately stood cancelled on account of merger of Cairn India Limited with Vedanta Limited.

Interest is charged on the above mentioned consideration at the rate of 4% per annum and was repayable on 23 January 2018.

All substantive approvals for effecting the merger of Cairn India Limited ("Cairn India") with Vedanta Limited ("Vedanta"), Company's intermediate holding company, were received by March 27, 2017. As per the terms of the Scheme of merger, Vedanta and its subsidiaries (including the Company) did not receive any consideration in lieu of their holding in Cairn India which stood extinguished upon the merger being implemented. Accordingly, 618,389,553 shares held by the Company in Cairn India Limited were cancelled upon implementation of the Scheme.
Since the cancellation of shares held in Cairn India Limited arose as per the terms of the Scheme of merger of Cairn India into Vedanta, the effects of cancellation of the aforesaid investments amounting to USD 2,665,873,723 has been carried through the statement of changes in equity.

6. OTHER RECEIVABLES

	2018 USD	2017 USD
Receivable from Sesa Sterlite Mauritius Holdings Limited (refer Note 5)	**-**	105,779,713
Less: Offset against amount payable to related party	**-**	(105,779,713)
Receivable from Lakomasko B.V.	**6,577**	-
Less: Assignment to Bloom Fountain Limited ('BFL') (refer note 20)	**(6,577)**	-
	-	-

On March 30, 2017, Sesa Sterlite Mauritius Holdings Limited (SSMHL), the Company and THL Zinc Ltd entered into an agreement of assignment whereby the Company has assigned its receivable of USD 105,000,000 and accrued interest thereon of USD 779,713 from SSMHL to THL Zinc Ltd. The same had been offset against the amount payable to THL Zinc Ltd during the year 2016-17.

7. CASH AND CASH EQUIVALENTS

	2018 USD	2017 USD
Cash at bank	**-**	2,797,816
	-	2,797,816

7.1 A floating charge has been created on some of the cash accounts pursuant to the loan facility dated 15 May 2013 entered by Company with consortium of banks where Standard Chartered Bank (SCB) is the facility agent. Pursuant to the prepayment of the loan to SCB the charge has been released. As at 26 March 2018, the amount pledged was USD Nil (March 31, 2017 : USD 35,702).

7.2 For the reasons explained in note no 19, the Company has ceased to operate and cash at bank as at 26 March 2018 amouting to USD 1,412 was assigned to BFL, which has been further converted into equity by the Company.

8 ISSUED CAPITAL

	2018 USD	2017 USD
Issued and Fully Paid		
At 1 April	**6,000,001**	6,000,001
Issued during the year (Refer note 8.2)	**6,852,165,687**	-
At 31 March	**6,858,165,688**	6,000,001

8.1 The shares in the capital of the Company comprise of 6,000,001 ordinary shares of par value USD 1 each, issued to Twin Star Energy Holdings Ltd. The ordinary shares carry voting rights and right to dividend.

8.2 For the reasons explained in note no 19, the Company has ceased to operate and net liabilities as on 26 March 2018 amouting to USD 6,852,165,687 have been assigned to Bloom Fountain Limited in consideration of issue of 6,852,165,687 shares of USD 1 each. Refer note no 20 for more details.

9 REDEEMABLE PREFERENCE SHARES

	2018 USD	2017 USD
At 1 April and 31 March	**-**	2,200,000,000

During the year 2016-17, the Company has issued 22,000,000, 0% Redeemable Preference Shares of USD 100 each in favour of Bloom Fountain Limited ('**BFL**'), the holding company, repayable on demand or within 3 years from the date of issue. During the year, the guarantee given by Vedanta Resources Plc for these preference shares has been withdrawn. In the current year, these 'Redeemable Preference Shares' have been converted into 22,000,000, 0% Convertible Preference Shares and thereafter converted into equity (Refer note no 20 and note no 8.2).

10 BORROWINGS

		2018 USD	2017 USD
Non-current			
Loan from THL Zinc Ltd	(Note iii)	**1,249,910,000**	1,352,510,000
Less: Offset of receivable from related party	(Note v)	**-**	(102,600,000)
Less: Reclassified to current	(Note iii)	**(1,249,910,000)**	-
Loan from Cairn India Holdings Limited ('CIHL')	(Note ix)	**1,055,000,000**	-
Less: Conversion of loan into equity	(Note ix)	**(1,055,000,000)**	-
		-	1,249,910,000
Current			
Loan from Standard Chartered Bank	(Note i)	**-**	600,000,000
Loan from Standard Chartered Bank	(Note ii)	**-**	450,000,000
Loan from THL Zinc Ltd	(Note iv)	**-**	498,262,493
Loan from Monte Cello BV	(Note vi)	**-**	283,426,660
Loan from THL Zinc Holding BV	(Note vii)	**-**	412,828,743
Loan from Fujairah Gold FZC	(Note viii)	**-**	900,000,000
Less: Offset of receivable from related party	(Note v)	**-**	(2,400,000)
Less: Conversion of loan into equity	(Note iv)	**-**	-
Less: Assignment to Bloom Fountain Limited	(Note vi,vii,viii)	**-**	-
		-	3,142,117,896

10 **BORROWINGS (CONT'D)**

(i) On 15 May 2013, the Company entered into a loan facility of USD 1,200,000,000 from consortium of banks wherein Standard Chartered Bank ('SCB') is the Facility Agent to partly refinance the loan taken for acquisition of stake in Cairn India. The loan bears interest at the rate of USD LIBOR plus 275 basis points. The loan was repayable in four equal annual installments starting June 2015. During the year, the said loan including accrued interest has been prepaid and the guarantee given by Vedanta Resources Plc in respect of this loan has been withdrawn. The outstanding balance under this facility at 31 March 2018 is USD NIL (31 March 2017: USD 600,000,000).

(ii) In August 2014, the Company tied up USD 500,000,000 facility with Standard Chartered Bank and First Gulf Bank PJSC of which USD 250,000,000 is under a commodity murabaha structure (Islamic financing) and balance USD 250,000,000 is under a conventional loan structure. USD 287,500,000 bears an interest rate of LIBOR plus 275 basis points with an average maturity of about 5 years from the date of first drawdown in August 2014. And balance USD 212,500,000 bears an interest rate of LIBOR plus 340 basis points with an average maturity of about 6 years from the date of first drawdown in August 2014. During the year, the said loan including accrued interest has been prepaid and the guarantee given by Vedanta Resources Plc in respect of this loan has been withdrawn.The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 450,000,000).

(iii) Pursuant to a board meeting of 19 May 2014, the Company had entered into a loan facility agreement with THL Zinc Ltd of USD 1,249,910,000 repayable in May 2016 at an interest rate of LIBOR plus 3.01% per annum. The loan was unsecured in nature. However, pursuant to the board meeting of 19 May 2016, it was agreed by the parties to extend the term of the repayment date of the loan to May 2018 at a revised Interest rate of LIBOR plus 4.51% per annum upto May 2017 and LIBOR plus 4.76% per annum thereafter until the end of the term. During the year, the outstanding balance under the said loan of USD 1,249,910,000 along with the accrued interest of USD 100,866,539 was assigned to CIHL which has been further converted into equity by the Company. The balance interest of USD 1,240,903 has been converted into equity. The oustanding balance under this facility as at 31 March 2018 is NIL (31 March 2017: USD 1,249,910,000)

(iv) On 23 May 2014, the Company entered into a loan facility agreement of USD 80,000,000 with THL Zinc Ltd having repayment date as 23 May 2015. The interest rate on this loan is 0.26%. During the year 2015-16 the maturity date was extended to 22 May 2017. During the year, the facility was further extended till May 2018. However, in March 2018, the outstanding balance under the said loan of USD 57,885,000 along with the accrued interest of USD 619,601 has been converted into equity. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 57,885,000).

On 6 December 2013 the Company entered into a loan facility agreement of USD 65,000,000 with THL Zinc Ltd having repayment date on 6 December 2014. The interest rate on this loan is 0.26%. During the year 2015-16 the facility was extended till 5 December 2017. During the year, the facility was further extended till December 2018. However, in March 2018, the outstanding balance under the said loan of USD 65,000,000 along with the accrued interest of USD 2,237,320 has been converted into equity. The outstanding balance under this facility at 31 March 2018 is USD NIL (31 March 2017: USD 65,000,000).

In September 2013, a Memorandum of Understanding (MOU) was signed between the Company, Vedanta Resources Jersey II Limited and THL Zinc Ltd and assignment agreement wherein the loan for USD 339,207,493 provided to the Company per this facility have been assigned to THL Zinc Ltd and hence the new lender in the Company. The interest rate on this loan is 0.26%. During the year 2015-16, the facility was extended till September 2017. During the year, the facility was further extended till September 2018. However, in March 2018, the outstanding amount under the said loan of USD 336,807,493 along with the accrued interest of USD 5,546,211 has been then converted into equity.

In December 2016, the Company entered into a loan facility agreement of USD 50,000,000 with THL Zinc Ltd carrying an interest rate of 2.21% per annumn and repayable in December 2017. During the year, the said facility has been extended till November, 2018. However, in March 2018, the outstanding amount under the said loan of USD 36,170,000 along with the accrued interest of USD 991,521 has been then converted into equity.The outstanding amount under the said facility as at 31 March 2018 is USD NIL (31 March 2017: USD 36,170,000).

During the year 2016-17, the Company entered into a loan facility of USD 110,000,000 with THL Zinc Ltd. The loan bears an interest rate of 4% per annum and is repayable in three years.The loan is unsecured in nature.The total amount before giving impact arising to the assignment of loan was USD 102,600,000. In March 2018, the said loan including accrued interest has been assigned to BFL and then converted into equity.

(v) On March 30, 2017, Sesa Sterlite Mauritius Holdings Limited (SSMHL), the Company and THL Zinc Ltd entered into an agreement of assignment whereby the Company has assigned its loan receivable of USD 105,000,000 and accrued interest thereon of USD 779,713 from SSMHL to THL Zinc Ltd. The same had been offset against the amount payable to THL Zinc Ltd during the year 2016-17.

(vi) In December 2015 the Company entered into a loan facility agreement of USD 50,000,000 with Monte Cello BV at an interest rate of 2.50% per annum for 2 years maturing in December 2017. During the year, the said facility was extended till December, 2018. However, in March 2018, the outstanding amount under the said loan of USD 5,000,000 along with the accrued interest of USD 284,028 was sold by Monte Cello BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 5,000,000).

In September 2013, a Memorandum of Understanding (MOU) was signed between the Company, Vedanta Resources Jersey II Limited and Monte Cello BV and assignment agreement wherein the loan for USD 286,585,080, having an interest rate of 1.19% per annum provided to the Company per this facility have been assigned to Monte Cello B.V. and hence the new lender in the Company. During the year the facility was further extended till September 2018. However, in March 2018, the oustanding amount under the said loan of USD 278,426,660 along with the accrued interest of USD 6,704,380 was sold by Monte Cello BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The amount outstanding under this agreement as at 31 March 2018 is USD NIL (31 March 2017: USD 278,426,660).

(vii) On 6 December 2013 the Company entered into a loan facility agreement of USD 30,000,000 with THL Zinc Holding BV at an interest rate of 2.51% per annum. In the previous year, the repayment date under this facility was extended to December 2017. During the year the facility was further extended till December 2018. However, in March 2018, the amount outstanding under the said loan of USD 30,000,000 along with the accrued interest of USD 3,161,843 was sold by THL Zinc Holding BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility at 31 March 2018 is USD NIL (31 March 2017: USD 30,000,000).

10. BORROWINGS (CONT'D)

On 23 May 2014, the Company entered into a loan facility agreement of USD 80,000,000 with THL Zinc Holding BV at an interest rate of 1.50% per annum having repayment date on 23 May 2015. During the previous year, the repayment date was extended to 22 May 2017. During the year, the facility was further extended till May 2018. However, in March 2018, the amount outstanding under the said loan of USD 62,350,000 along with the accrued interest of USD 3,981,097 was sold by THL Zinc Holding BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 62,350,000).

On 24 September 2015, the Company entered into a loan facility agreement of USD 30,000,000 with THL Zinc Holding BV at an interest rate of 2.125% per annum. During the previous year, the repayment date was extended to 23 September 2017. During the year, the facility was further extended till September 2018. However, in March 2018, the amount outstanding under the said loan of USD 30,000,000 along with the accrued interest of USD 1,590,208 was sold by THL Zinc Holding BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 30,000,000).

In September 2013, a Memorandum of Understanding (MOU) was signed between the Company, Vedanta Resources Jersey II Limited and Monte Cello BV and assignment agreement wherein the loan for USD 290,478,743 having an interest rate of 1.19% per annum provided to the Company per this facility has been assigned to THL Zinc Holding BV and hence the new lender in the Company. During the previous year, the facility was extended to 2 September 2017. During the year, the facility was further extented till September 2018. However, in March 2018, the amount outstanding under the said loan of USD 290,478,743 along with the accrued interest of USD 16,505,848 was sold by THL Zinc Holding BV to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 290,478,743).

(viii) In December 2015 the Company entered into a loan facility agreement of USD 1,000,000,000 with Fujairah Gold FZC at an interest rate of 4% per annum. Pursuant to a board meeting of 12 December 2016, the repayment date has was extended to 1 January 2018. During the year, the facility was further extended till January 2019. However, in March 2018, the amount outstanding under the said loan of USD 900,000,000 along with the accrued interest of USD 69,797,222 was assigned to Bloom Fountain Limited ('BFL') which has been further converted into equity by the Company. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD 900,000,000).

(ix) During the year, the Company entered into a agreement with Cairn India Holdings Limited (CIHL) of facility amount USD 1,055,000,000 at an interest rate of LIBOR plus 2.9% repayable in April 2019 . The full amount was drawn under the said facility in the current year. The outstanding balance of USD 1,055,000,000 along with accrued interest of USD 41,583,019 has been converted into equity. The outstanding balance under this facility as at 31 March 2018 is USD NIL (31 March 2017: USD NIL).

11 OTHER PAYABLES AND ACCRUALS

		2018	2017
		USD	USD
Interest accrued on loan from Standard Chartered Bank		**-**	338,336
Interest accrued on loan from Monte Cello BV	(Note 10(vi))	**-**	3,112,092
Interest accrued on loan from THL Zinc Ltd	(Note 10(iii),10(iv))	**-**	35,377,660
Less: Offset of receivable from related party		**-**	(779,713)
Interest accrued on loan from THL Zinc Holdings BV	(Note 10(vii))	**-**	19,242,642
Interest accrued on loan from Fujairah Gold FZC	(Note 10(viii))	**-**	43,472,222
Interest accrued on loan from Cairn India Holdings Limited	(Note 10(ix))	**-**	-
Other payables		**-**	34,760
		-	100,797,999

11.1 For the reasons explained in note no 19, the Company has ceased to operate and other payables as on 26 March 2018 amouting to USD 36,400 were assigned to BFL, which has been further coverted into equity by the Company.

12 NET CASH FROM OPERATING ACTIVITIES

	2018	2017
	USD	USD
Loss before tax	**(162,137,608)**	(187,324,729)
Adjustments for:		
Loss on disposal of investment (Refer note 5)	**-**	11,812,878
Interest on borrowings	**162,090,524**	205,182,170
Changes in working capital:		
Increase in other receivable	**(6,577)**	-
Increase/ (decrease) in other payables	**1,640**	(2,215,546)
Assignment of cash at bank to BFL *	**(1,412)**	-
Net cash (used in)/ generated from operating activities	**(53,433)**	27,454,773

***** For the reasons explained in note no 19, the Company has ceased to operate and cash at bank balance as on 26 March 2018 amouting to USD 1,412 was assigned to BFL.

13 INCOME

	2018	2017
	USD	USD
Dividend income from erstwhile Cairn India Limited	**-**	28,857,137
Interest income on receivable from Sesa Sterlite Mauritius Holdings Limited	**-**	779,713
Interest on deposits	**1,051**	75,560
	1,051	29,712,410

14 FINANCE COSTS

	2018 USD	2017 USD
Bank charges	**5,202**	14,099
Interest on Bank borrowings	**2,931,369**	56,331,161
Interest on Group borrowings	**159,153,953**	148,836,910
	162,090,524	205,182,170

15 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	**(162,137,608)**	(187,324,729)
Income tax @15%	**(24,320,641)**	(28,098,709)
Add - Non allowable expenses	**-**	1,771,932
Less - Exempt Income	**-**	(11,334)
Add - Income routed through equity directly	**38,266,407**	-
Less - Utilisation of brought forward losses	**(13,945,766)**	-
Add -Unused tax losses not recognised as deferred tax assets	**-**	26,338,111
Income tax expense recognised in profit and loss	**-**	-

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 USD	2017 USD
Transactions				
Vedanta Resources Plc	Intermediate Holding Company	Payment of expenses	-	121,402
		Reimbursement	-	54,382
Erstwhile Cairn India Limited (now merged with Vedanta Limited)	Group company	Dividend received	**-**	28,857,137
Cairn India Holdings Limited ('CIHL')	Group company	Interest expense	**41,583,019**	-
		Loan taken	**1,055,000,000**	-
		Conversion into equity of above loan and accrued interest along with THL Zinc Ltd loan and accrued interest assigned to CIHL.	**2,447,359,558**	-
Vedanta Resources Jersey II	Group company	Interest expense	**-**	32,474,939
		Loan taken	**-**	14,000,000
		Loan repayment	**-**	1,880,867,337
		Interest repayment	**-**	82,425,530
Monte Cello BV	Group company	Interest expense	**5,822,666**	5,971,968
		Interest Repayment	**1,946,350**	2,929,569
		Sale of loan and accrued interest to Bloom Fountain Limited	**290,415,068**	-
THL Zinc Ltd	Group company	Interest expense	**76,904,146**	67,363,780
		Loan taken	**-**	138,770,000
		Interest Repayment	**-**	42,624,000
		Assignment of Loan and interest to Cairn India Holdings Limited	**1,350,776,539**	-
		Conversion of loan and accrued interest into equity	**506,498,049**	-
THL Zinc Holding BV	Group company	Interest expense	**8,519,117**	8,737,560
		Interest Repayment	**2,523,123**	3,648,332
		Sale of Loan and accrued interest to Bloom Fountain Limited	**438,067,379**	-
Fujairah Gold FZC	Group company	Interest expense	**26,325,000**	33,750,000
		Assignment of Loan and accrued interest to Bloom Fountain Limited	**969,797,222**	-
Sesa Sterlite Mauritius Holdings Limited	Group company	Receivable	**-**	105,000,000
		Interest income	**-**	779,713
Bloom Fountain Limited	Holding Company	Conversion of Redeemable Preference shares into Convertible Preference shares	**2,200,000,000**	2,200,000,000
		Advance Given	**350,000**	-
		Receipt of advance given	**350,000**	-
		Conversion of assigned loans, accrued interest and Convertible Preference Shares into Equity Shares (Refer Note 20)	**3,898,279,669**	-
		Conversion of other net liabilities into Equity Shares	**28,411**	-
Vedanta Resources Jersey Ltd	Group company	Loan Taken	**-**	28,429,000
		Loan Repaid	**-**	28,429,000
		Interest Expense	**-**	538,664
		Interest paid	**-**	538,664

16 RELATED PARTY TRANSACTIONS (CONT'D)

Outstanding balances

Name of Company	Relationship	Nature of transaction	2018 USD	2017 USD
Bloom Fountain Limited	Holding Company	Redeemable Preference Shares (RPS)	-	2,200,000,000
Monte Cello BV	Group company	Loan balance	-	283,426,660
		Loan interest accrued	-	3,112,092
THL Zinc Ltd	Group company	Loan balance	-	1,748,172,493
		Loan interest accrued	-	34,597,947
THL Zinc Holding BV	Group company	Loan balance	-	412,828,743
		Loan interest accrued	-	19,242,642
Fujairah Gold FZC	Group company	Loan balance	-	900,000,000
		Loan interest accrued	-	43,472,222
Vedanta Resources Plc	Intermediate Holding Company	Guarantees taken*	-	4,150,000,000

* The guarantee from Vedanta Resources Plc includes guarantee for the loan taken from Standard Chartered Bank of USD 1,050,000,000, loan taken from Fujairah Gold FZC of USD 900,000,000 and redeemable preference shares of USD 2,200,000,000 issued by the Company to its intermediate parent Bloom Fountain Limited. During the year, these guarantees have been withdrawn.

Other related party transactions

SGG Corporate Services Ltd performs certain administration and related services for the Company. A sum amounting to USD 15,813 (2017: USD 10,975) which includes professional fees for directorship services of USD 3,047 (2017: USD 2,000) was expensed during the year in respect of the aforesaid services.

Compensation to Key Management Personnel

No compensation to key management personnel was paid during the year (2017: Nil).

TWIN STAR MAURITIUS HOLDINGS LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2018

17 FINANCIAL INSTRUMENTS

Fair values

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

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

	As at 31 March 2017
	USD
Financial assets	
Cash and cash equivalents	2,797,816
Other Receivables	-
	2,797,816
Financial liabilities	
Redeemable Preference Shares	2,200,000,000
Borrowings	4,392,027,896
Other payables and accruals	100,797,999
	6,692,825,895

(a) 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.

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

As at 31 March 2018, the Company did not have any interest bearing financial assets and liabilities, as it filed for liquidation on 28 March 2018 and assigned its net liabilities to its holding company Bloom Fountain Limited and hence, was not exposed to interest rate risk.

	Up to 1 year	**More than 1 year**	**Total**
31 March 2017	**USD**	**USD**	**USD**
Financial assets			
Non-interest bearing	2,797,816	-	2,797,816
	2,797,816	-	2,797,816
Financial liabilities			
Non-interest bearing	2,300,797,999	-	2,300,797,999
Fixed interest instrument	2,092,117,896	-	2,092,117,896
Variable interest instrument	1,050,000,000	1,249,910,000	2,299,910,000
	5,442,915,895	1,249,910,000	6,692,825,895

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/ lower and all other variables were held constant, the net liability/ loss for the year ended 31 March 2018 would increase/ decrease by USD NIL (31 March, 2017: USD 22,999,100). This is mainly attributable to the Company exposure to movement in interest rates.

17 **FINANCIAL INSTRUMENTS (CONT'D)**

(c) 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 Dollar	-	-	2,797,816	6,692,825,895
	-	-	2,797,816	6,692,825,895

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.

(d) Credit risk

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

(e) 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 filed for liquidation on 28 March 2018 and assigned its net liabilities to its holding company Bloom Fountain Limited

31 March 2017	On Demand	Less than 1 Year	More than 1 Year	Total
	USD	USD	USD	USD
Financial liabilities				
Other payables and accruals	-	100,797,999	-	100,797,999
Redeemable Preference Shares	2,200,000,000	-	-	2,200,000,000
Borrowings	-	3,142,117,896	1,249,910,000	4,392,027,896
	2,200,000,000	3,242,915,895	1,249,910,000	6,692,825,895

(f) Capital risk management

For the purpose of the Company’s capital management, capital includes issued capital, redeemable 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.

17 FINANCIAL INSTRUMENTS (CONT'D)

(g) 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.

18 IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Twin Star Energy Holdings Limited, a company incorporated in Mauritius which entered into liquidation on 26 March, 2018. The Company's intermediate holding companies are Bloom Fountain Limited, a company incorporated in Mauritius, 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 Bahamas.

19 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.

20 ASSIGNMENT TO BLOOM FOUNTAIN LIMITED, THL ZINC LTD & CAIRN INDIA HOLDINGS LIMITED

Bloom Fountain Limited being the holding company, THL Zinc Ltd and Cairn India Holdings Limited, have been assigned the loans and 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 8). The details of assignment are as follows:

	USD
Redeemable preference shares (Refer note 9)	2,200,000,000
Borrowings (Refer note below)	4,397,027,896
Accrued interest (Refer note below)	255,109,380
Other payables and accruals (Refer note 11.1)	36,400
Other receivables (Refer note 6)	(6,577)
Cash and cash equivalents (Refer note 7.2)	(1,412)
Net liablities	**6,852,165,687**

Note

Particulars of loan and accrued interest converted into equity	Borrowings	Accrued Interest USD
THL Zinc Ltd. loan and accrued interest assigned to CIHL and subsequently converted into equity (Refer note 10(iii))	1,249,910,000	100,866,539
THL Zinc Ltd. loan and accrued interest converted into equity (Refer note 10(iv))	495,862,493	10,635,556
Monte Cello BV loan and accrued interest sold to BFL and subsequently converted into equity (Refer note 10(vi))	283,426,660	6,988,408
THL Zinc Holding BV loan and accrued interest sold to BFL and subsequently converted into equity (Refer note 10(vii))	412,828,743	25,238,636
Fujairah Gold FZC loan and accrued interest assigned to BFL and subsequently converted into equity (Refer note 10(viii))	900,000,000	69,797,222
CIHL loan and accrued interest converted into equity (Refer note 10(ix))	1,055,000,000	41,583,019
	4,397,027,896	**255,109,380**