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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of CIEL Limited (the "Company"), 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 auditors' 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 the Financial Statements

We have audited the group financial statements of CIEL Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 96 to 202 which comprise the statements of financial position at 30 June 2016, 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 a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Report on the Financial Statements (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 96 to 202 give a true and fair view of the financial position of the Group and of the Company at 30 June 2016, 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.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and business advisers and dealings in the ordinary course of business.

We have obtained all 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.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report is consistent with the requirements of the Code.

BDO & CO
Chartered Accountants

30 September 2016

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis,
Mauritius.

STATEMENTS OF FINANCIAL POSITION
30 JUNE 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE COMPANY 2016	THE COMPANY 2015
		MUR'000	MUR'000	**MUR'000**	MUR'000
NON SPECIFIC BANKING ASSETS					
Non-current assets					
Property, plant and equipment	4	**22,146,186**	20,284,534	**-**	-
Investment properties	5	**1,437,716**	1,120,825	**-**	-
Intangible assets	6	**3,232,586**	3,100,362	**-**	-
Investments in subsidiary companies	7	**-**	-	**10,630,964**	10,775,217
Investments in joint ventures	8	**1,226,806**	993,147	**985,960**	1,093,690
Investments in associated companies	9	**5,068,765**	4,767,586	**2,137,896**	2,423,976
Investments in other financial assets	10	**225,993**	197,818	**184,686**	164,157
Deposit on investments	11	**-**	-	**86,505**	56,218
Leasehold rights and land prepayments	12	**437,706**	423,564	**-**	-
Non-current receivables	13	**115,228**	170,348	**-**	-
Deferred income tax assets	25	**82,212**	138,433	**-**	-
		33,973,198	31,196,617	**14,026,011**	14,513,258
Current assets					
Inventories	14	**3,088,659**	2,931,990	**-**	-
Trade and other receivables	15	**4,805,746**	4,332,626	**231,930**	250,795
Cash and cash equivalents	16	**5,583,351**	4,460,251	**1,852**	41,572
		13,477,756	11,724,867	**233,782**	292,367
Non-current assets classified as held for sale	17	**19,693**	19,693	**-**	-
		47,470,647	42,941,177	**14,259,793**	14,805,625
SPECIFIC BANKING ASSETS					
Non-current asset					
Loans and advances to customers	18	**3,479,115**	2,609,179	**-**	-
Current assets					
Loans and advances to customers	18	**5,035,548**	4,807,383	**-**	-
Investments in securities	19	**1,298,545**	1,844,931	**-**	-
		6,334,093	6,652,314	**-**	-
		9,813,208	9,261,493	**-**	-
TOTAL ASSETS		**57,283,855**	52,202,670	**14,259,793**	14,805,625

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

STATEMENTS OF FINANCIAL POSITION
30 JUNE 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE COMPANY 2016	THE COMPANY 2015
EQUITY AND LIABILITIES		**MUR'000**	MUR'000	**MUR'000**	MUR'000
Capital and reserves					
Stated capital	20	**4,249,417**	4,248,354	**4,249,417**	4,248,354
Redeemable restricted A shares	21	**39,233**	39,233	**39,233**	39,233
Retained earnings		**7,026,654**	6,936,959	**2,595,209**	2,555,862
Revaluation, fair value and other reserves		**2,774,026**	2,748,006	**6,291,130**	6,515,142
		14,089,330	13,972,552	**13,174,989**	13,358,591
Less treasury shares	20	**(255,061)**	(264,636)	**(255,061)**	(264,636)
Owners' interest		**13,834,269**	13,707,916	**12,919,928**	13,093,955
Non-controlling interests		**9,749,787**	8,426,342	**-**	-
Total equity		**23,584,056**	22,134,258	**12,919,928**	13,093,955
NON SPECIFIC BANKING LIABILITIES					
Non-current liabilities					
Borrowings	24	**5,367,355**	5,605,242	**1,000,050**	1,000,050
Deferred tax liabilities	25	**1,042,479**	1,238,868	**-**	-
Retirement benefit obligations	26	**569,774**	480,834	**-**	-
Provisions for other liabilities and charges	27	**20,469**	16,406	**-**	-
		7,000,077	7,341,350	**1,000,050**	1,000,050
Current liabilities					
Borrowings	24	**8,952,563**	5,810,936	**96,948**	441,561
Trade and other payables	28	**4,195,012**	5,129,686	**74,889**	102,150
Current tax liabilities	29	**117,341**	117,183	**210**	410
Proposed dividend	30	**167,768**	167,499	**167,768**	167,499
		13,432,684	11,225,304	**339,815**	711,620
		20,432,761	18,566,654	**1,339,865**	1,711,670
SPECIFIC BANKING LIABILITY					
Non-current liability					
Deposits from customers	31	**6,323**	6,167	**-**	-
Current liability					
Deposits from customers	31	**13,260,715**	11,495,591	**-**	-
		13,267,038	11,501,758	**-**	-
TOTAL LIABILITIES		**33,699,799**	30,068,412	**1,339,865**	1,711,670
TOTAL EQUITY AND LIABILITIES		**57,283,855**	52,202,670	**14,259,793**	14,805,625
Net asset value per share	MUR	**9.07**	9.00	**8.47**	8.60

These financial statements have been approved for issue by the Board of Directors on 30 September 2016.

P. Arnaud Dalais
Chairman

Catherine Mcilraith
Director

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE COMPANY 2016	THE COMPANY 2015
		MUR'000	MUR'000	**MUR'000**	MUR'000
REVENUE	32	**18,532,552**	16,454,941	**346,691**	381,871
Earnings before interests, taxation, depreciation and amortisation	33	**2,735,617**	2,580,597	**256,455**	254,179
Depreciation and amortisation		**(749,554)**	(649,973)	**-**	-
Earnings before interests and taxation		**1,986,063**	1,930,624	**256,455**	254,179
Finance costs	34	**(555,110)**	(326,413)	**(66,768)**	(53,866)
Share of results of joint ventures	8(c)	**146,998**	93,697	**-**	-
Share of results of associates	9(c)	**56,254**	150,933	**-**	-
Profit before non-recurring items		**1,634,205**	1,848,841	**189,687**	200,313
Closure, marketing launch, restructuring, branding and transaction costs	36	**(534,208)**	(265,249)	**-**	-
Increase in fair value of investment properties	5	**265,135**	-	**-**	-
Impairment of goodwill	6	**(29,917)**	-	**-**	-
Profit on sale of investment		**-**	-	**125,115**	298,618
Impairment of investment		**-**	(17,545)	**-**	(175,374)
Fair value gain on business combination	39(b)	**-**	700,622	**-**	-
Profit on sale of properties		**-**	168,552	**-**	-
Profit before taxation		**1,335,215**	2,435,221	**314,802**	323,557
Income tax	29	**(153,281)**	(255,154)	**(1,075)**	(1,040)
Profit for the year		**1,181,934**	2,180,067	**313,727**	322,517

The notes on pages 107 to 202 form an integral part of these financial statements.
Auditors' report on page 94.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2016

	Notes	THE GROUP 2016	THE GROUP Restated 2015	THE COMPANY 2016	THE COMPANY 2015
		MUR'000	MUR'000	**MUR'000**	MUR'000
Other comprehensive income:	22				
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings		**209,880**	823,770	-	-
Deferred tax on revaluation gain	25(c)	**(59,916)**	(86,951)	-	-
Share of other comprehensive income of associates		**-**	(17,178)	-	-
Remeasurements of post employment benefit obligations	26	**(59,621)**	(32,139)	-	-
Deferred tax on remeasurements of post retirement benefit obligations	25(c)	**8,170**	4,574	-	-
Items that may be reclassified subsequently to profit or loss:					
Change in value of available-for-sale financial assets		**(14,374)**	4,017	**(216,115)**	2,205,894
Release upon disposal of investment		**-**	(2,040)	**-**	(176,889)
Share of other comprehensive income of associates and joint ventures		**(94,116)**	(70,533)	**-**	-
Currency translation differences		**67,144**	184,406	**-**	-
Cash flow hedges		**(4,700)**	90,226	**(3,545)**	(4,251)
Deferred tax on cash flow hedges	25(c)	**8,279**	(2,838)	**-**	-
Other comprehensive income for the year		**60,746**	895,314	**(219,660)**	2,024,754
Total comprehensive income for the year		**1,242,680**	3,075,381	**94,067**	2,347,271
Profit attributable to:					
Owners of the parent		**477,150**	1,125,990	**313,727**	322,517
Non-controlling interests		**704,784**	1,054,077	**-**	-
		1,181,934	2,180,067	**313,727**	322,517
Total comprehensive income attributable to:					
Owners of the parent		**425,803**	1,590,950	**94,067**	2,347,271
Non-controlling interests		**816,877**	1,484,431	**-**	-
		1,242,680	3,075,381	**94,067**	2,347,271
Earnings per share	37 **MUR.**	**0.31**	0.74	**0.21**	0.21
Earnings per share before non-recurring items	37 **MUR.**	**0.46**	0.48	**0.12**	0.13

The notes on pages 107 to 202 form an integral part of these financial statements.

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STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY
THE GROUP

	Notes	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Share Appreciation Rights & Other Scheme
		MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2015					
- As previously stated		4,248,354	39,233	(264,636)	38,469
- Prior year adjustment	48	-	-	-	-
- As restated		4,248,354	39,233	(264,636)	38,469
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Issue of shares	20	1,063	-	9,575	(10,638)
Issue of shares to non controlling interest	39(a)	-	-	-	-
Redemption of shares to non controlling interest		-	-	-	-
Change in ownership interest that do not result in a loss of control	39(a)	-	-	-	-
Employee share option scheme		-	-	-	6,286
Dividends	30	-	-	-	-
Other movements		-	-	-	-
Total transactions with owners of the parent		1,063	-	9,575	(4,352)
Movement in reserves of joint ventures		-	-	-	-
Balance at 30 June 2016		**4,249,417**	**39,233**	**(255,061)**	**34,117**

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

Fair Value Reserves	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
214,278	2,495,259	6,883,231	13,654,188	8,390,208	22,044,396
-	-	53,728	53,728	36,134	89,862
214,278	2,495,259	6,936,959	13,707,916	8,426,342	22,134,258
-	-	477,150	477,150	704,784	1,181,934
(23,107)	(28,240)	-	(51,347)	112,093	60,746
(23,107)	(28,240)	477,150	425,803	816,877	1,242,680
-	-	-	-	-	-
-	-	-	-	999,185	999,185
-	-	-	-	(47,310)	(47,310)
-	-	(36,319)	(36,319)	36,319	-
-	-	-	6,286	-	6,286
-	-	(274,380)	(274,380)	(483,829)	(758,209)
-	94,512	(89,549)	4,963	2,203	7,166
-	94,512	(400,248)	(299,450)	506,568	207,118
-	(12,793)	12,793	-	-	-
191,171	**2,548,738**	**7,026,654**	**13,834,269**	**9,749,787**	**23,584,056**

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY
THE GROUP

	Notes	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Share Appreciation Rights & Other Scheme
		MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2014		4,246,423	39,233	(270,999)	47,180
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Issue of shares	20	1,931	-	6,363	(8,294)
Issue of shares to non controlling interest		-	-	-	-
Transfer on lapse of rights		-	-	-	(9,458)
Change in ownership interest that do not result in a loss of control	39(b)	-	-	-	-
Employee share option scheme		-	-	-	9,041
Non-controlling interests arising on					
Non-controlling interests arising on business combination	39(b)	-	-	-	-
Dividends	30	-	-	-	-
Other movements		-	-	-	-
Total transactions with owners of the parent		1,931	-	6,363	(8,711)
Movement in reserves of joint ventures		-	-	-	-
Balance at 30 June 2015		4,248,354	39,233	(264,636)	38,469

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

Fair Value Reserves	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
211,349	1,971,416	5,840,681	12,085,283	5,821,590	17,906,873
–	–	1,125,990	1,125,990	1,054,077	2,180,067
2,929	462,031	–	464,960	430,354	895,314
2,929	462,031	1,125,990	1,590,950	1,484,431	3,075,381
–	–	–	–	–	–
–	–	–	–	880,750	880,750
–	–	9,458	–	–	–
–	–	272,182	272,182	346,457	618,639
–	–	–	9,041	–	9,041
–	–	–	–	266,914	266,914
–	–	(243,611)	(243,611)	(374,589)	(618,200)
–	(5,929)	–	(5,929)	789	(5,140)
–	(5,929)	38,029	31,683	1,120,321	1,152,004
–	67,741	(67,741)	–	–	–
214,278	2,495,259	6,936,959	13,707,916	8,426,342	22,134,258

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY (CONT'D)

THE COMPANY

	Note	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Hedge Reserve	Share Appreciation Rights & Other Schemes	Fair Value Reserves	Retained Earnings	Total Equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2015		4,248,354	39,233	(264,636)	3,545	38,469	6,473,128	2,555,862	13,093,955
Profit for the year		-	-	-	-	-	-	313,727	313,727
Other comprehensive income for the year		-	-	-	(3,545)	-	(216,115)	-	(219,660)
Total comprehensive income for the year		-	-	-	(3,545)	-	(216,115)	313,727	94,067
Issue of shares	20	1,063	-	9,575	-	(10,638)	-	-	-
Dividends	30	-	-	-	-	-	-	(274,380)	(274,380)
Employee share option scheme		-	-	-	-	6,286	-	-	6,286
Total transactions with owners of parent		1,063	-	9,575	-	(4,352)	-	(274,380)	(268,094)
Balance at 30 June 2016		**4,249,417**	**39,233**	**(255,061)**	**-**	**34,117**	**6,257,013**	**2,595,209**	**12,919,928**

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY (CONT'D)

THE COMPANY

	Note	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Hedge Reserve	Share Appreciation Rights & Other Schemes	Fair Value Reserves	Retained Earnings	Total Equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2014		4,246,423	39,233	(270,999)	7,796	47,180	4,444,123	2,467,567	10,981,323
Effect of amalgamation		–	–	–	–	–	–	(69)	(69)
Profit for the year		–	–	–	–	–	–	322,517	322,517
Other comprehensive income for the year		–	–	–	(4,251)	–	2,029,005	–	2,024,754
Total comprehensive income for the year		–	–	–	(4,251)	–	2,029,005	322,517	2,347,271
Issue of shares	20	1,931	–	6,363	–	(8,294)	–	–	–
Transfer on lapse of rights		–	–	–	–	(9,458)	–	9,458	–
Dividends	30	–	–	–	–	–	–	(243,611)	(243,611)
Employee share option scheme		–	–	–	–	9,041	–	–	9,041
Total transactions with owners of parent		1,931	–	6,363	–	(8,711)	–	(234,153)	(234,570)
Balance at 30 June 2015		4,248,354	39,233	(264,636)	3,545	38,469	6,473,128	2,555,862	13,093,955

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

STATEMENTS OF CASH FLOWS
YEAR ENDED 30 JUNE 2016

	Notes	THE GROUP 2016	THE GROUP 2015	THE COMPANY 2016	THE COMPANY 2015
Cash flows from operating activities		**MUR'000**	MUR'000	**MUR'000**	MUR'000
Cash generated from operations	38(a)	**2,079,344**	1,013,850	**243,985**	175,698
Interest paid		**(630,428)**	(431,305)	**(69,549)**	(57,814)
Interest received		**44,723**	24,379	**6,837**	5,361
Rent received		**40,506**	22,036	**-**	-
Tax paid	29(b)	**(314,243)**	(290,457)	**(1,275)**	(1,273)
Net cash generated from operating activities		**1,219,902**	338,503	**179,998**	121,972
Cash flows from investing activities					
Purchase of property, plant and equipment	4(a)	**(2,678,326)**	(867,855)	**-**	-
Purchase of investment properties	5	**(1,218)**	(37,374)	**-**	-
Net cash outflow from acquisition of subsidiary companies	39(b)	**-**	(2,821,538)	**-**	-
Acquisition of subsidiary companies	39(c)	**-**	-	**(105,596)**	(1,385,448)
Net cash outflow arising on acquisition of increased interest in subsidiaries		**-**	(37,237)	**-**	-
Changes in deposit on investments		**-**	11,926	**(27,547)**	7,677
Purchase of investments in associated companies	9(a)	**(580,140)**	(37,287)	**-**	(67,391)
Purchase of investments in joint venture	8(a)	**(86,500)**	(50,000)	**-**	(50,000)
Purchase of available-for-sale financial assets		**(32,505)**	(6,336)	**-**	(4,689)
Purchase of intangible assets		**(139,400)**	(19,827)	**-**	-
Net movement in restricted cash		**52,185**	(52,185)	**-**	-
Redemption of investment		**-**	-	**147,883**	1,648
Proceeds from disposal of property, plant and equipment		**26,696**	49,040	**-**	-
Dividends received from associates		**52,796**	81,165	**-**	-
Proceeds from disposal of available-for-sale financial assets		**6,185**	6,804	**25**	1,585
Proceeds from disposal of held for sale assets		**-**	477,281	**-**	414,275
Proceeds from disposal of subsidiary companies		**-**	-	**384,241**	380,881
Proceeds from disposal of associated companies		**188,766**	3,901	**-**	-
Net cash (used in)/generated from investing activities		**(3,191,461)**	(3,299,522)	**399,006**	(701,462)
Cash flow from financing activities					
Net borrowings		**2,284,799**	1,500,563	**(8,000)**	916,050
Issue of shares to non controlling interest		**999,185**	1,536,626	**-**	-
Redemption of shares to non controlling interest		**(47,310)**	-	**-**	-
Dividends paid to minority		**(483,829)**	(326,797)	**-**	-
Dividends paid	30	**(274,111)**	(228,220)	**(274,111)**	(228,220)
Net cash generated from/(used in) financing activities		**2,478,734**	2,482,172	**(282,111)**	687,830
Increase/(decrease)		**507,175**	(478,847)	**296,893**	108,340
Movement in cash and cash equivalents					
At July 1,		**2,550,088**	3,520,181	**(391,989)**	(500,513)
Effect of amalgamation		**-**	-	**-**	184
Exchange differences		**129,214**	(491,246)	**-**	-
Increase/(decrease)		**507,175**	(478,847)	**296,893**	108,340
At June 30,	38(b)	**3,186,477**	2,550,088	**(95,096)**	(391,989)
Cash and cash equivalents:					
Banking segment		**4,516,564**	3,309,937	**-**	-
Non banking segment		**(1,330,087)**	(759,849)	**(95,096)**	(391,989)
		3,186,477	2,550,088	**(95,096)**	(391,989)

The notes on pages 107 to 202 form an integral part of these financial statements.

Auditors' report on page 94.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

1. GENERAL INFORMATION

On 24 January 2014, CIEL Investment Ltd has been amalgamated with and into Deep River Investment Ltd (DRI). The surviving company was subsequently renamed CIEL Limited, which is listed on the Stock Exchange of Mauritius.

Its main activity is to provide long term growth and dividend income for distribution to investors.

CIEL Limited invests in a diversified portfolio of equity and equity related investments.

The address of its registered office is 5th Floor, Ebene Skies, Rue de L'Institut, Ebene Cybercity.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. BASIS OF PREPARATION

The financial statements of CIEL Limited are prepared in compliance with the Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board ('IASB'). The financial statements are prepared on a going concern basis and include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company).

The preparation of financial statements in conformity with IFRs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Where necessary comparative figures have been amended to conform to change in presentation in the current year.

A discussion on the Group's critical accounting judgements and key sources of estimation uncertainty is detailed below. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Amounts in the financial statements are stated in Mauritian Rupees.

IFRS requires the Directors to adopt accounting policies that are the most appropriate to the Group's circumstances. In determining and applying accounting policies, Directors and management are required to make judgements in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the Group's reported financial position, results or cash flows; it may later be determined that a different choice may have been more appropriate.

This section describes the critical accounting judgements that management has identified as having a potentially material impact on the Group's consolidated financial statements and sets out the significant accounting policies that relate to the financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within that note.

We have also detailed below the new accounting pronouncements that we will adopt in future years and where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2. BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations effective in the reporting period

There are no standards, amendments to published standards and interpretations effective for the first time in the reporting period.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2016 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRS 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

IFRS 16 Leases

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

IFRS 9 is of particular importance to the banking subsidiary in the Group. In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences will arise. For example, under IFRS 9, embedded derivatives are not separated from host financial assets and equity securities are measured at FVPL or, in limited circumstances, at FVOCI. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortised cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in other comprehensive income.

2. BASIS OF PREPARATION (CONT'D)

Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI, and lease receivables and certain loan commitments and financial guarantee contracts. At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit impaired are in 'stage 3'.

The assessment of whether credit risk has increased significantly since initial recognition is performed for each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.

The assessment of credit risk, and the estimation of ECL, are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money. As a result, the recognition and measurement of impairment is intended to be more forward-looking than under IAS 39 and the resulting impairment charge will tend to be more volatile. It will also tend to result in an increase in the total level of impairment allowances, since all financial assets will be assessed for at least 12-month ECL and the population of financial assets to which lifetime ECL applies is likely to be larger than the population for which there is objective evidence of impairment in accordance with IAS 39.

Hedge accounting

The general hedge accounting requirements aim to simplify hedge accounting, creating a stronger link between it and risk management strategy and permitting the former to be applied to a greater variety of hedging instruments and risks. The standard does not explicitly address macro hedge accounting strategies, which are being considered in a separate project. To remove the risk of any conflict between existing macro hedge accounting practice and the new general hedge accounting requirements, IFRS 9 includes an accounting policy choice to remain with IAS 39 hedge accounting.

Transition

The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application, with no requirement to restate comparative periods.

The mandatory application date for the standard as a whole is 1 January 2018, but it is possible to apply the revised presentation for certain liabilities measured at fair value from an earlier date.

2. BASIS OF PREPARATION (CONT'D)

(a) **Critical accounting judgements and key sources of estimation of uncertainty**

Management has identified accounting estimates and assumptions relating to the items below that it considers to be critical due to their impact on the Group's financial statements.

(i) **Impairment of non-financial assets**

Assets that have an indefinite useful life (including Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In determining the carrying amount of goodwill, the Group carries out the test on impairment of goodwill on an annual basis. This exercise requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the generating unit and also to choose a suitable discount rate in order to compute the present value of future cash flows.

(ii) **Impairment of financial assets**

Financial assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for- sale are not reversed through profit or loss.

Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying value and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2. BASIS OF PREPARATION (CONT'D)

(a) **Critical accounting judgements and key sources of estimation of uncertainty (cont'd)**

(ii) **Impairment of financial assets (cont'd)**

Financial assets carried at amortised cost (cont'd)

An allowance for loan impairment is established if there is the objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of the loans.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iii) **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

(iv) **Revaluation of property, plant and equipment and investment properties**

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value is determined by the directors' valuation based on independent valuation by valuers.

(v) **Fair value of securities**

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2. BASIS OF PREPARATION (CONT'D)

(a) Critical accounting judgements and key sources of estimation of uncertainty (cont'd)

(v) Fair value of securities (cont'd)

Determination of fair value

The fair value of publicly traded available-for-sale securities is based on their market value which is calculated by reference to the Stock Exchange and the Development Enterprise Market (DEM) - quoted prices at the close of business at the end of reporting period except for listed subsidiaries. In assessing the fair value of unquoted investments, the Group uses a combination of discounted cash flow, price to book, earnings multiple, net asset base and dividend yield basis. The valuation policy is summarised below:

For listed subsidiary companies, the fair value is the higher of the market value or share of net asset value.

- 50% stake or more in investee companies - price earnings multiple or discounted cash flow, except for listed subsidiaries, new investments, banks and property companies.
- Less than 50% stake in investee companies - earnings multiple
- Property investee companies - net asset basis whereby properties are revalued on a regular basis on their open market value
- Investments in new ventures are valued at cost for the first year less any impairment loss recognised to reflect irrecoverable amounts
- Investment entities - net asset basis
- Banking sector - mix of price to book and price earnings ratios
- Recent transaction price, where applicable

(vi) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(vii) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(viii) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The Directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

2. BASIS OF PREPARATION (CONT'D)

(a) **Critical accounting judgements and key sources of estimation of uncertainty (cont'd)**

(ix) **Impairment of assets**

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(x) **Deferred tax on investment properties**

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors reviewed the Group's investment property portfolio and concluded that the investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale.

(xi) **Provision for slow-moving inventories**

Management is required to exercise significant judgement in estimating the provision for slow-moving inventories.

The following are considered to provide for inventories write-off:

- Apply appropriate procedures to identify slow-moving and obsolete stocks;
- Make reasonable and prudent estimates of the prices obtainable in the market in which the goods are expected to be sold at the time at which they will be available for sale; and
- Take into account projected time to completion and sale.

(xii) **Determination of functional currency of the Group entities**

The determination of the functional currency of the Group's entities is critical since the way in which every transaction is recorded and whether exchange differences arising are dependent on the functional currency selected. The directors have determined that the functional currency of the company and local subsidiaries is the Mauritian rupee. The choice of the functional currency of the foreign subsidiaries has been based on factors such as the primary economic environment in which each party operates, the currency that mainly influences revenues and costs.

(xiii) **Recognition of revenue on sale of Invest Hotel Scheme ('IHS')room**

Management has considered the detailed criteria for the recognition of revenue on sale of IHS rooms set out in IAS 18 - Revenue, IAS 11 - Construction contracts and IFRIC 15 - Agreements for the Construction of Real Estates. Based on those criteria, management is satisfied that revenue on sale of IHS rooms is recognised under IAS 18.

(b) **Significant accounting policies applied to the current reporting period that relate to the financial statements as a whole**

The financial statements are prepared under the historical cost convention except that :-

(i) certain property, plant and equipment are carried at revalued amounts;

(ii) investment properties are stated at fair value;

(iii) available-for-sale investments and relevant financial assets and financial liabilities are stated at fair value; and

(iv) loans receivable and relevant financial assets and financial liabilities are carried at amortised cost.

2. BASIS OF PREPARATION (CONT'D)

(c) **Foreign currencies**

(i) **Functional and presentation currency**

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian Rupees, which is the Company's functional and presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash-flow hedges and qualifying net investment hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) **Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from that of the presentation currency of the Company, are translated as follows:

(a) assets and liabilities are translated at the closing rate at the end of that statement of financial position;

(b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) the resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. In the event of disposal of a foreign operation, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Non-recurring items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. SEGMENT INFORMATION

(a) The reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group has six reportable segments:

Textile derives income mainly from the sale of knitwear, woven and fine knits products.

Agro and Property earns income mainly from sugar production, land and property development.

Hotels and Resorts derives income through the ownership and management of portfolio of hotels.

Financial services derives income mainly from banking, fiduciary products and portfolio management.

Healthcare derives income through the running of healthcare facilities.

CIEL – Holding Company derives income through dividend derived from its investments.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations.

THE GROUP

Year ended 30 June 2016	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	Holding Company	Eliminations/ Unallocated	**Total**
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**
Interest income	23,990	5,975	-	1,464,225	6,981	1,360	(40,117)	**1,462,415**
Other segment revenues	10,483,829	80,691	4,989,237	467,335	1,217,237	345,331	(513,522)	**17,070,137**
Total revenue	10,507,819	86,666	4,989,237	1,931,560	1,224,218	346,691	(553,639)	**18,532,552**
Earnings before interest and taxation	937,745	18,760	356,965	690,527	111,921	256,455	(386,310)	**1,986,063**
Finance costs	(76,167)	(15,900)	(382,996)	(34,435)	(19,162)	(66,768)	40,318	**(555,110)**
Share of result of joint ventures	-	387	(8,299)	154,910	-	-	-	**146,998**
Share of result of associates	-	55,379	(6,798)	16,342	(8,668)	-	-	**56,254**
	861,578	58,625	(41,128)	827,344	84,091	189,687	(345,992)	**1,634,205**
Increase in fair value of investment properties	-	127,830	-	137,305	-	-	-	**265,135**
Closure, marketing launch, restructuring, branding and transaction costs	-	-	(534,208)	-	-	-	-	**(534,208)**
Impairment of goodwill	-	-	-	(29,917)	-	-	-	**(29,917)**
Profit before taxation	861,578	186,455	(575,336)	934,732	84,091	189,687	(345,992)	**1,335,215**
Income tax								**(153,281)**
Profit for the year								**1,181,934**
Assets excluding Associates & Joint Ventures	9,772,219	2,503,755	20,218,902	17,035,983	1,873,468	11,135,937	(11,551,979)	**50,988,284**
Joint Ventures	-	(3,129)	60,231	1,169,704	-	-	-	**1,226,806**
Associated Companies	-	3,506,925	808,259	306,820	446,761	-	-	**5,068,765**
Segment Assets	9,772,219	6,007,551	21,087,392	18,512,507	2,320,229	11,135,937	(11,551,979)	**57,283,855**
Segment Liabilities	5,048,532	289,973	12,381,103	14,902,444	566,936	1,339,865	(829,054)	**33,699,799**
Capital Expenditure	905,171	6,617	1,568,756	147,979	49,884	-	-	**2,678,407**
Depreciation and Amortisation	(215,728)	(14,740)	(356,894)	(100,112)	(62,080)	-	-	**(749,554)**

3. SEGMENT INFORMATION (CONT'D)

THE GROUP

Year ended 30 June 2015 (Restated)	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	Holding Company	Eliminations/ Unallocated	**Total**
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**
Interest income	11,976	1,192	8,182	37,366	-	5,361	(39,595)	**24,482**
Other segment revenues	10,119,098	76,985	4,205,829	1,891,700	288,589	376,510	(528,252)	**16,430,459**
Total revenue	10,131,074	78,177	4,214,011	1,929,066	288,589	381,871	(567,847)	**16,454,941**
Earnings before interest and taxation	924,845	20,781	334,551	804,489	13,370	254,179	(421,591)	**1,930,623**
Finance costs	(67,642)	(13,766)	(205,628)	(24,429)	(2,378)	(53,866)	41,296	**(326,413)**
Share of result of joint ventures	-	399	(3,418)	96,716	-	-	-	**93,697**
Share of result of associates	-	104,202	27,948	7,931	10,852	-	-	**150,933**
	857,203	111,616	153,453	884,707	21,844	200,313	(380,295)	**1,848,840**
Profit on sale of properties	-	168,552	-	-	-	-	-	**168,552**
Closure, marketing launch, restructuring, branding and transaction costs	-	-	(265,249)	-	-	-	-	**(265,249)**
Gain on remeasurement of equity interest	-	-	604,501	-	67,686	-	28,436	**700,623**
Impairment of non-current assets held for sale	-	-	-	-	-	(175,374)	157,829	**(17,545)**
Profit before taxation	857,203	280,167	492,705	884,707	89,530	24,939	(194,030)	**2,435,221**
Income tax								**(255,154)**
Profit for the year								**2,180,067**
Assets excluding Associates & Joint Ventures	8,860,973	2,591,800	19,413,938	14,871,908	1,995,860	14,805,687	(16,098,229)	**46,441,936**
Joint Ventures	-	(3,524)	45,000	951,671	-	-	-	**993,147**
Associated Companies	-	3,521,571	815,092	429,692	1,231	-	-	**4,767,586**
Segment Assets	8,860,973	6,109,847	20,274,030	16,253,271	1,997,091	14,805,687	(16,098,229)	**52,202,670**
Segment Liabilities	4,518,284	347,791	10,409,652	12,825,258	1,022,579	1,711,671	(766,822)	**30,068,412**
Capital Expenditure	342,141	9,881	446,006	83,216	8,711	-	-	**889,955**
Depreciation and Amortisation	(201,266)	(14,196)	(323,658)	(97,271)	(13,582)	-	-	**(649,973)**

3. SEGMENT INFORMATION (CONT'D)

THE GROUP

Geographical information

	Revenues from External Customers		Non-Current Assets	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Mauritius	**14,534,964**	11,777,011	**25,576,735**	23,834,684
Madagascar	**1,480,734**	1,487,559	**4,350,912**	3,716,251
Asia	**2,068,598**	1,909,582	**501,397**	465,482
Maldives	**31,545**	527,545	**3,543,732**	3,169,686
South Africa	**416,711**	753,244	**422**	10,514
	18,532,552	16,454,941	**33,973,198**	31,196,617

Revenues from external customers are presented based on the respective subsidiaries' country of domicile.

4. PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Land and buildings are stated at their fair value based on periodic valuations by directors of the Group subsequent to valuation carried out by external valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Properties in the course of construction for production, administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method to write off the cost or revalued amounts of the assets to their residual values over their estimated useful lives as follows:

	Rate per annum
Buildings	2% to 5%
Buildings on leasehold land	2%
Plant, equipment and machinery	10% to 20%
Motor vehicles and boats	20%
Furniture, fittings and equipment	5% to 20%
Deer farming buildings and equipment	2.5% to 10%
Office, computer and other equipment	10% to 33%

Land is not depreciated.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate at end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds to carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(a) THE GROUP

	Notes	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture Fittings & Equipment	Office and Other Equipment	Deer Farming Buildings & Equipment	Total
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST OR VALUATION								
At 1 July 2015		18,713,899	4,651,214	253,799	2,977,336	687,741	41,178	27,325,167
Opening balance adjustment	49	(70,952)	105,230	(264)	(196,791)	(30)	-	(162,807)
Revaluation surplus		209,880	-	-	-	-	-	209,880
Additions		1,813,157	595,624	63,546	123,629	76,452	5,918	2,678,326
Transfer to investment properties		(50,538)	-	-	-	-	-	(50,538)
Transfer to intangible assets		-	-	-	-	(12,745)	-	(12,745)
Transfer from work in progress		1,181	5,900	-	(7,256)	175	-	-
Transfers		(262,149)	(259,476)	37	124,244	333,278	-	(64,066)
Write offs		(27,042)	(96,309)	-	(232,172)	(195,217)	-	(550,740)
Reclassification		(370)	105,600	-	(105,230)	-	-	-
Translation adjustment		(105,994)	(111)	(2,241)	132,086	4,540	-	28,280
Disposals		(13,340)	(107,081)	(35,962)	(35,160)	(13,877)	-	(205,420)
At 30 June 2016		**20,207,732**	**5,000,591**	**278,915**	**2,780,686**	**880,317**	**47,096**	**29,195,337**
DEPRECIATION								
At 1 July 2015								
-As previously reported		846,676	3,298,060	164,447	2,133,373	563,484	22,212	7,028,252
- Prior year adjustment		12,381	-	-	-	-	-	12,381
- As restated		859,057	3,298,060	164,447	2,133,373	563,484	22,212	7,040,633
Opening balance adjustment	49	658	76,309	(50)	(171,371)	64	-	(94,390)
Charge for the year		276,503	221,336	33,873	165,685	81,630	1,761	780,788
Transfer to intangible assets		8,994	(188,954)	297	(4,820)	179,026	-	(5,457)
Write offs		(2,668)	(95,722)	-	(210,280)	(188,938)	-	(497,608)
Translation adjustment		(994)	3,334	(1,329)	197	3,625	-	4,833
Disposal adjustments		-	(99,548)	(33,022)	(33,826)	(13,252)	-	(179,648)
At 30 June 2016		**1,141,550**	**3,214,815**	**164,216**	**1,878,958**	**625,639**	**23,973**	**7,049,151**
NET BOOK VALUES								
At 30 June 2016		**19,066,182**	**1,785,776**	**114,699**	**901,728**	**254,678**	**23,123**	**22,146,186**
Split as follows:								
Banking segment		676,052	58,690	25,970	22,619	28,087	-	811,418
Non-banking segment		18,390,130	1,727,086	88,729	879,109	226,591	23,123	21,334,768
		19,066,182	1,785,776	114,699	901,728	254,678	23,123	22,146,186

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE GROUP

	Notes	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture Fittings & Equipment	Office and Other Equipment	Deer Farming Buildings & Equipment	Total
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST OR VALUATION								
At 1 July 2014		13,067,211	4,229,748	217,288	1,914,172	570,333	38,273	20,037,025
Acquisition of subsidiaries	39	4,477,980	315,163	29,546	1,027,691	78,971	-	5,929,351
Additions		597,562	150,000	41,101	71,716	26,671	2,905	889,955
Reclassification		(26,153)	5,391	-	(608)	21,370	-	-
Translation adjustment		15,043	13,612	(16,974)	11,918	5,692	-	29,291
Revaluation surplus		599,416	-	-	-	-	-	599,416
Disposals		(17,160)	(62,700)	(17,162)	(47,553)	(15,296)	-	(159,871)
At 30 June 2015		**18,713,899**	**4,651,214**	**253,799**	**2,977,336**	**687,741**	**41,178**	**27,325,167**
DEPRECIATION								
At 1 July 2014		885,682	2,979,100	136,319	1,294,846	458,776	19,979	5,774,702
Acquisition of subsidiaries	39	51,733	178,106	21,883	712,316	59,213	-	1,023,251
Charge for the year		208,598	207,835	26,832	127,209	46,013	2,233	618,720
Reclassification		(1,717)	790	(1,126)	(67)	2,120	-	-
Translation adjustment		(58,596)	(16,883)	(4,172)	6,650	4,404	-	(68,597)
Revaluation adjustments		(224,354)	-	-	-	-	-	(224,354)
Disposal adjustments		(2,289)	(50,888)	(15,289)	(7,581)	(7,042)	-	(83,089)
At 30 June 2015		**859,057**	**3,298,060**	**164,447**	**2,133,373**	**563,484**	**22,212**	**7,040,633**
NET BOOK VALUES								
At 30 June 2015		**17,854,842**	**1,353,154**	**89,352**	**843,963**	**124,257**	**18,966**	**20,284,534**
Split as follows:								
Banking segment		349,620	45,725	21,539	18,085	25,823	-	460,792
Non-banking segment		17,505,222	1,307,429	67,813	825,878	98,434	18,966	19,823,742
		17,854,842	1,353,154	89,352	843,963	124,257	18,966	20,284,534

(c) If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Net book value	**12,329,131**	12,155,234

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) The land and buildings are further classified as follows:

	Freehold land & building	Buildings on Leasehold Land	Asset Under Construction	Total
	MUR'000	MUR'000	MUR'000	MUR'000
VALUATION				
At 30 June 2014	11,735,065	1,244,737	87,409	13,067,211
Acquisition of subsidiaries	4,434,590	-	43,390	4,477,980
Additions	40,322	20,338	536,902	597,562
Reclassification	49,898	-	(76,051)	(26,153)
Translation adjustment	21,246	-	(6,203)	15,043
Revaluation surplus	468,150	131,266	-	599,416
Disposals	(5,106)	(9,742)	(2,312)	(17,160)
At 30 June 2015	16,744,165	1,386,599	583,135	18,713,899
Adjustment to opening balance	(70,952)	-	-	(70,952)
Acquisition of subsidiaries	-	-	-	-
Additions	446,973	11,640	1,354,544	1,813,157
Reclassification	13,532	6,665	(20,567)	(370)
Transfers	883,514	1,181	(1,190,327)	(305,632)
Translation adjustment	(115,278)	(20)	3,430	(111,868)
Revaluation surplus	209,880	-	-	209,880
Write offs	(27,042)	-	-	(27,042)
Disposals	(13,179)	(161)	-	(13,340)
At 30 June 2016	**18,071,613**	**1,405,904**	**730,215**	**20,207,732**
DEPRECIATION				
At 30 June 2014	673,622	204,870	7,190	885,682
Acquisition of subsidiaries	51,733	-	-	51,733
Charge for the year	178,180	21,504	4,804	204,488
Reclassification	(1,823)	106	-	(1,717)
Translation adjustment	(54,486)	-	-	(54,486)
Revaluation adjustments	(144,453)	(79,901)	-	(224,354)
Disposal adjustments	(1,622)	(667)	-	(2,289)
At 30 June 2015	701,151	145,912	11,994	859,057
Adjustment to opening balance	658	-	-	658
Transfers	8,994	-	-	8,994
Charge for the year	259,712	16,791	-	276,503
Translation adjustment	(409)	6,606	(7,191)	(994)
Write offs	(2,668)	-	-	(2,668)
At 30 June 2016	**967,438**	**169,309**	**4,803**	**1,141,550**
NET BOOK VALUES				
At 30 June 2016	**17,104,175**	**1,236,595**	**725,412**	**19,066,182**
At 30 June 2015	16,043,014	1,240,687	571,141	17,854,842

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) Leased assets included above also comprise the following:

	THE GROUP			
	Plant & Machinery	**Motor Vehicles**	**Furniture & Fittings**	**Office Equipment**
2016	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Cost - capitalised finance leases	282,236	56,296	90,820	4,639
Accumulated depreciation	(95,961)	(41,224)	(34,904)	(4,041)
Net book amount	**186,275**	**15,072**	**55,916**	**598**
2015				
Cost - capitalised finance leases	296,084	57,676	90,819	4,639
Accumulated depreciation	(89,134)	(37,227)	(19,513)	(2,701)
Net book amount	206,950	20,449	71,306	1,938

(f) **Fair value of land and buildings**

The Group carries its land and buildings at fair value. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and shown in 'revaluation surplus' in statements of changes in equity.

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 2	**Level 3**
	MUR'000	MUR'000
THE GROUP		
2016		
Freehold land and buildings	6,090,888	11,013,195
Buildings on leasehold land	-	1,236,687
	6,090,888	12,249,882
2015		
Freehold land and buildings	5,485,791	10,557,223
Buildings on leasehold land	-	1,240,687
	5,485,791	11,797,910

The Group's main land and buildings were last revalued on the following dates:

Hotel segment	30 June 2015
Textile segment	30 June 2014
Ferney Ltd	30 June 2016
Banking segment	30 June 2016
Healthcare segment	30 June 2015

Hotel segment

Freehold land and buildings were revalued on 30 June 2015 by Broll Indian Ocean Limited, Chartered Valuer. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Hotel segment (cont'd)

Freehold land have been valued taking into consideration comparable sales evidences. The basis of valuation in estimating the market value has been undertaken in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with Valuation for Financial Reporting and which is to be used in the context of International Accounting Standards (IASs) published by the International Accounting Standards Board (IASB).

The buildings, structures and site improvement have been valued on a depreciated replacement cost basis taking into consideration their replacement cost, with adjustments being made for age and condition.

Included in freehold land and building is a building of one of the subsidiaries in Maldives with a carrying amount of MUR 1,198M as at 30 June 2016. The Directors are of opinion that the carrying amount of the buildings approximates their fair value as at reporting date.

Textile segment

At 30 June 2014, an independent valuation was performed by independent qualified valuers, SDDS Sworn Land Surveyors, Ratsimbazafy Ihanta Evelyne and Advisory Valuation & Consultancy for land and buildings held in Mauritius, Madagascar and India.

The external valuations of level 3 land and buildings have been performed using:

(i) sales comparison approach, and

(ii) replacement cost less depreciation approach, where there are limited or no similar sites in the vicinity in which the land and buildings of the Group are located.

The external valuers have determined the unobservable inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices where relevant.

Information about fair value measurements for the textile cluster using significant unobservable inputs

(Level 3)

Description

<table>
<tr><th></th><th colspan="2">Fair Value at 30 June</th><th>Valuation Techniques</th><th>Unobservable Inputs</th><th>Range of Unobservable Inputs (probability-weighted average)</th></tr>
<tr><th></th><th>2016</th><th>2015</th><th></th><th></th><th></th></tr>
<tr><td></td><td>MUR'000</td><td>MUR'000</td><td></td><td></td><td>MUR</td></tr>
<tr><td>Manufacturing sites – Mauritius</td><td>1,184,618</td><td>1,180,874</td><td rowspan="3">Sales comparison and replacement cost less depreciation approach</td><td rowspan="2">Price per square metre</td><td>MUR 332 – MUR 3,419/ square metre (land) and MUR 1,906 – MUR 248,564/ square metre (buildings)</td></tr>
<tr><td>Manufacturing sites – Madagascar</td><td>482,558</td><td>477,022</td><td>MGA 135K – MGA 800K/ square metre (land) and MGA 397K (buildings)</td></tr>
<tr><td>Manufacturing sites – Asia</td><td>453,840</td><td>215,408</td><td>Price per acres and square feet</td><td>INR 6.2M/acre (land) and INR 1,450/square feet (buildings)</td></tr>
</table>

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Ferney Ltd

At 30 June 2016, an independent valuation was performed by independent qualified valuers, Société d'Hotman de Spéville. Valuations were made on an open market value less a 33% discount. The fair value of the land was derived using the sales comparison approach. Estimates of values for each category of land is based on land transactions in the vicinity.

Significant valuation input:	Fair value 2016	Range
	MUR'000	MUR'000
Price per hectare - land	857,768	1,408 - 14,000

Banking segment

At 30 June 2016, an independent valuation was performed by an independent qualified valuer, Ratsimbazafy Ihanta Evelyne for land and buildings located at the headquarters in Madagascar. Land and buildings located elsewhere in Madagascar have been revalued by Pack Immo, independent qualified valuers.

The properties were valued at MUR 676M. The external valuations have been performed using sales comparison approach and depreciated replacement cost basis.

Healthcare segment

The land and buildings are classified as level 3 on the fair value hierarchy and the fair value is derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, access, topography and other stringent adverse physical conditions. The Medical and Surgical Centre Ltd Group revalued its land and buildings in the previous financial year and engaged Noor Dilmohamed & Associates, Certified Practicing Valuer. Values were discounted by 33% following directors valuation. The IMG Group engaged Messrs PBR Real Estate Ltd independent valuers to value its properties in October 2014.

The main inputs used in the valuation approach ranged as follows:

	Fair value 2016	Mauritius Range
	MUR'000	MUR
Price per square metres (sqm)	542,111	2,500 - 24,000

Relationships of unobservable input to fair value

The higher the price per square metre and acre, the higher the fair value.

(g) Leased assets are pledged as securities for the related finance lease liabilities.

(h) Bank borrowings are secured by fixed and floating charges over the assets of the Group.

(i) The acquisition of property, plant and equipment includes purchases under finance lease obligation amounting to MUR 1.5M.

5. INVESTMENT PROPERTIES

Accounting policies

Investment properties, held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value as determined periodically by the directors subsequent to the valuation carried out by external valuer. Changes in fair values are included in profit or loss. When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

	THE GROUP	
	2016	2015
Fair value model	**MUR'000**	MUR'000
At 1 July	**1,120,825**	1,083,451
Addition	**1,218**	37,374
Transfer from land & buildings	**50,538**	-
Increase in fair value	**265,135**	-
At 30 June	**1,437,716**	1,120,825
Banking segment	**138,786**	-
Non-banking segment	**1,298,930**	1,120,825
	1,437,716	1,120,825

(a) In June 2016 the investment properties of Ferney Ltd was revalued by Société d'Hotman de Spéville, a qualified valuer. The fair value was determined on an open market basis by reference to land transactions in the vicinity less a 33% discount.

The investment properties are classified as level 3 on the fair value hierarchy.

Significant valuation input:	Fair value 2016	Range
	MUR'000	MUR'000
Price per hectare - land	1,121,582	1,408 - 14,000

(b) The investment properties of BNI Madagascar were valued in April 2016 at fair value by Cabinet Razafindratandra, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties and are classified as level 2. The land is valued at MUR 95.4M and the buildings are valued at MUR 43.4M.

	2016	2015
	MUR'000	MUR'000
Rental income	**40,506**	22,036
Direct operating expenses arising from investment properties that generate rental income	**(852)**	(1,837)

The Group has pledged some of its investment properties to secure general banking facilities granted to the Group.

6. INTANGIBLE ASSETS

Accounting policies

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (2 - 4 years).

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, not exceeding 3 years.

		Computer Software	Development Cost	Goodwill	Total
(a)	**THE GROUP**	MUR'000	MUR'000	MUR'000	MUR'000
	2016				
	COST				
	At 1 July 2015				
	-As previously reported	258,533	3,797	2,831,430	3,093,760
	- Prior year adjustment	-	-	191,012	191,012
	- As restated	258,533	3,797	3,022,442	3,284,772
	Consolidation adjustment	-	-	18,676	18,676
	Additions	139,400	-	-	139,400
	Transfer from plant & equipment	12,745	-	-	12,745
	Translation adjustment	(3,632)	58	32,788	29,214
	Write off	(23,411)	-	(904)	(24,315)
	At 30 June 2016	**383,635**	**3,855**	**3,073,002**	**3,460,492**
	AMORTISATION				
	At 1 July 2015	178,807	2,488	3,115	184,410
	Transfer from plant & equipment	5,457	-	-	5,457
	Charge for the year	30,881	1,322	-	32,203
	Translation adjustment	(1,126)	45	-	(1,081)
	Impairment	-	-	29,917	29,917
	Write off	(23,000)	-	-	(23,000)
	At 30 June 2016	**191,019**	**3,855**	**33,032**	**227,906**
	NET BOOK VALUES				
	At 30 June 2016	**192,616**	**-**	**3,039,970**	**3,232,586**
	Broken down as follows:				
	Banking segment				**92,312**
	Non-banking segment				**3,140,274**
					3,232,586

6. INTANGIBLE ASSETS (CONT'D)

	Computer Software	Development Cost	Goodwill	Total
	MUR'000	MUR'000	MUR'000	MUR'000
THE GROUP				
2015				
COST				
At 1 July 2014	239,923	4,435	1,770,123	2,014,481
Acquisition of subsidiaries	127	-	1,009,533	1,009,660
Additions	31,501	262	-	31,763
Translation adjustment	(8,030)	(900)	242,786	233,856
Write off	(4,988)	-	-	(4,988)
At 30 June 2015	**258,533**	**3,797**	**3,022,442**	**3,284,772**
AMORTISATION				
At 1 July 2014	168,413	1,081	3,115	172,609
Acquisition of subsidiaries	127	-	-	127
Charge for the year	20,083	2,038	-	22,121
Translation adjustment	(6,513)	(631)	-	(7,144)
Write off	(3,303)	-	-	(3,303)
At 30 June 2015	**178,807**	**2,488**	**3,115**	**184,410**
NET BOOK VALUES				
At 30 June 2015	**79,726**	**1,309**	**3,019,327**	**3,100,362**
Broken down as follows:				
Banking segment				**90,584**
Non-banking segment				**3,009,778**
				3,100,362

(b) Goodwill relating to the Hotel segment, has been allocated for impairment testing purposes to the following cash generating units ('CGU')

	2016	Restated 2015
	MUR'000	MUR'000
Tour Operator CGU - Solea Vacances SA (note i)	**7,461**	6,057
Hotel property CGU - Property companies - Maldives (note i)	**1,749,580**	1,718,274
Hotel property CGU - Anahita Hotel Ltd (note ii)	**223,689**	223,689
	1,980,730	1,948,020

(i) The recoverable amount of these CGU are determined based on its value-in-use. The expected future net flows for 8 years has been discounted at an appropriate discount rate and added to the estimated terminal value.
The discount rate calculation is based on the specific circumstances of the CGU and is derived from its weighted average cost of capital ("WACC") of 9.7%. The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a perpetual growth rate of 3% and discounting at an appropriate rate.

6. INTANGIBLE ASSETS (CONT'D)

(ii) The recoverable amount of hotel property CGU - Anahita Hotel Limited was based on the discounted cash flow method, taking into account the free cash flow projections of financial budgets approved by management covering an eight year span. Value of free cash flow at perpetuity has been assumed using a growth rate of 3%. The future cash flows are discounted to present value based on a discount rate of 11.02%.

(c) Goodwill relating to the Healthcare segment, has been allocated for impairment testing purposes to the following cash generating units ('CGU')

	2016	2015
	MUR'000	MUR'000
IMG (note iii)	**556,631**	537,955
The Medical & Surgical Centre (note iv)	**240,380**	240,380
	797,011	778,335

(iii) The recoverable amount of these CGU are determined based on value-in-use. The expected future cash flows for 10 years have been discounted at an appropriate discount rate and added to the estimated terminal value. The discount rate calculation is based on specific circumstances of the CGU and a rate of 14.6% has been estimated. The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a growth rate of 5% and discounting at an appropriate rate.

(iv) The recoverable amount of this CGU has been determined using its market price at 30 June 2016, as it is a quoted company.

(d) Goodwill amounting to MUR 180M relates to CGUs operating in the financial services segment. An impairment of MUR 30M has been recognised and the recoverable amount has been based on a recent transaction.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group.

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount being recognised in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

			2016
(a)	**THE COMPANY**	**MUR'000**	**MUR'000**
	VALUATION	**Level 3**	**Total**
	At 1 July	**10,775,217**	**10,775,217**
	Additions	**105,596**	**105,596**
	Redemption	**(142,690)**	**(142,690)**
	Disposal	**(259,126)**	**(259,126)**
	Fair value adjustment	**151,967**	**151,967**
	At 30 June	**10,630,964**	**10,630,964**
	Proceeds from disposal	**384,241**	**384,241**

Equity securities at fair value include:	
- Listed	**7,167,537**
- Unlisted	**3,463,427**
	10,630,964

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

			2015
THE COMPANY	MUR'000	MUR'000	MUR'000
VALUATION	Level 2	Level 3	Total
At 1 July	342,063	7,085,246	7,427,309
Transfer *	(342,063)	342,063	-
Additions	-	1,096,605	1,096,605
Disposal	-	(259,126)	(259,126)
Effect of amalgamation	-	(100,155)	(100,155)
Fair value adjustment	-	2,122,721	2,122,721
Transfer from investments in associated companies	-	487,863	487,863
At 30 June	-	10,775,217	10,775,217

Equity securities at fair value include:

- Listed	7,107,963
- Unlisted	3,667,254
	10,775,217

*The transfer to level 3 relates to valuation of investments which involves a significant amount of unobservable data.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding 2016 Indirect	Direct	Proportion of ownership interests held by non-controlling interests"	Country of incorporation	Main business
CIEL LIMITED				000's	%	%	%		
Azur Financial Services Limited	Ordinary	30 June,	MUR	250	100.00	-	-	Mauritius	Treasury
BNI Madagascar SA**	Ordinary	31 December,	MGA	10,800,000	23.88	-	76.12	Madagascar	Banking
Bois des Amourettes Limited	Ordinary	30 June,	MUR	1	-	100.00	-	Mauritius	Non-trading
Bois des Amourettes Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
CIEL Corporate Services Ltd	Ordinary	30 June,	MUR	25	-	100.00	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June,	MUR	2,047,906	-	75.10	24.90	Mauritius	Investment
CIEL Healthcare Limited	Ordinary	30 June,	MUR	1,490,895	-	53.88	46.12	Mauritius	Investment
CIEL Healthcare Africa Limited	Ordinary	31 December,	USD	-	53.88	-	46.12	Mauritius	Management services
CIEL Healthcare (EA) Limited	Ordinary	31 December,	USD	7,002	53.88	-	46.12	Mauritius	Investment
CIEL Properties Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Property
CIEL Properties Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Property
CIEL Textile Limited	Ordinary	30 June,	MUR	685,865	-	56.31	43.69	Mauritius	Investment
Ebène Skies Ltd	Ordinary	30 June,	MUR	222,001	-	100.00	-	Mauritius	Property
Ferney Limited	Ordinary	30 June,	MUR	320,797	-	71.06	28.94	Mauritius	Property
Mitco Fund Services Ltd	Ordinary	30 June,	MUR	1,000	22.33	-	77.67	Mauritius	Registry
Halifax International Limited**	Ordinary	30 June,	MUR	-	44.65	-	55.35	Mauritius	Non-trading
Healthcare East Africa Limited	Ordinary	31 December,	USD	5,400	53.88	-	46.12	Mauritius	Investment
Indian Ocean Financial Holdings Ltd	Ordinary	31 December,	EUR	18,911	43.88	-	56.12	Mauritius	Investment
Investment Professionals Ltd **	Ordinary	30 June,	MUR	10,500	41.68	-	58.32	Mauritius	Investment adviser
IPRO Fund Management Ltd **	Ordinary	30 June,	MUR	5,000	41.68	-	58.32	Mauritius	CIS manager
IPRO Botswana (Pty) Limited**	Ordinary	30 June,	BWP	1,832	25.01	-	74.99	Botswana	Fund management
IPRO Stockbroking Ltd **	Ordinary	30 June,	MUR	1,500	41.68	-	58.32	Mauritius	Investment dealer
IMG Pharmaceuticals Limited	Ordinary	31 December,	Ushs.	10,000	48.55	-	51.45	Uganda	Healthcare services
International Air Ambulance Limited	Ordinary	31 December,	Ushs.	6,900,000	48.55	-	51.45	Uganda	Healthcare services
International Hospital Kampala Limited	Ordinary	31 December,	Ushs.	100,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Centre Limited	Ordinary	31 December,	Ushs.	10,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Group Limited	Ordinary	31 December,	Ushs.	7,210,000	48.55	-	51.45	Uganda	Investment
La Vallée de Ferney Company Ltd**	Ordinary	30 June,	MUR	5,000	42.64	-	57.36	Mauritius	Conservation
Le Café du Volcan Ltée	Ordinary	31 March,	MUR	25	31.57	-	68.43	Mauritius	Food & beverages
Mauritius International Trust Co Limited **	Ordinary	30 June,	USD	850	44.65	-	55.35	Mauritius	Business services
Mitco Advisory Ltd **	Ordinary	30 June,	USD	10	31.26	-	68.74	Seychelles	Corporate services
Mitco Corporate Services Ltd **	Ordinary	30 June,	MUR	93	44.65	-	55.35	Mauritius	Management services
Mitco Limited **	Ordinary	30 June,	USD	16	44.65	-	55.35	Seychelles	Corporate services
Mitco Services Ltd**	Ordinary	30 June,	USD	-	44.65	-	55.35	Mauritius	Non-trading
Rockwood Textiles Ltd	Ordinary	30 June,	MUR	9,637	-	100.00	-	Mauritius	Property
Rivière Champagne Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Non-trading
Rivière Champagne Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
Sun Limited	Ordinary	30 June,	MUR	1,817,257	-	59.79	40.21	Mauritius	Investment
TBL IMG Limited	Ordinary	31 December,	USD	1,200	53.88	-	46.12	Mauritius	Investment
The Medical & Surgical Centre Limited	Ordinary	31 March,	MUR	289,801	31.57	-	68.43	Mauritius	Healthcare services

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year end	Denominated Currency	Stated Capital	Percentage Holding 2015 Indirect	Percentage Holding 2015 Direct	Proportion of ownership interests held by non-controlling interests	Country of incorporation	Main business
CIEL LIMITED				000's	%	%	%		
Azur Financial Services Limited	Ordinary	30 June,	MUR	250	100.00	-	-	Mauritius	Treasury
BNI Madagascar SA**	Ordinary	31 December,	MGA	10,800,000	29.08	-	70.92	Madagascar	Banking
BNI Leasing SA**	Ordinary	31 December,	MGA	1,002,250	29.08	-	70.92	Madagascar	Leasing
Bois des Amourettes Limited	Ordinary	30 June,	MUR	1	-	100.00	-	Mauritius	Non-trading
Bois des Amourettes Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
CIEL Corporate Services Ltd	Ordinary	30 June,	MUR	25	-	100.00	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June,	MUR	2,047,906	-	82.90	17.10	Mauritius	Investment
CIEL Healthcare Limited	Ordinary	30 June,	MUR	630,455	-	100.00	-	Mauritius	Investment
CIEL Properties Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Property
CIEL Properties Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Property
CIEL Textile Limited	Ordinary	30 June,	MUR	685,865	-	56.31	43.69	Mauritius	Investment
Ebène Skies Ltd	Ordinary	30 June,	MUR	222,001	-	100.00	-	Mauritius	Property
Ferney Limited	Ordinary	30 June,	MUR	320,797	-	71.06	28.94	Mauritius	Property
Galileo Portfolio Services Limited	Ordinary	30 June,	MUR	1,000	46.01	-	53.99	Mauritius	Registry
Halifax International Limited**	Ordinary	30 June,	MUR	-	49.82	-	50.18	Mauritius	Non-trading
Indian Ocean Financial Holdings Ltd	Ordinary	31 December,	EUR	18,911	24.87	30.00	45.13	Mauritius	Investment
Investment Professionals Ltd **	Ordinary	30 June,	MUR	10,500	46.01	-	53.99	Mauritius	Investment adviser
IPRO Fund Management Ltd **	Ordinary	30 June,	MUR	5,000	46.01	-	53.99	Mauritius	CIS manager
IPRO Botswana (Pty) Limited**	Ordinary	30 June,	BWP	1,832	34.51	-	65.49	Botswana	Fund management
IPRO Stockbroking Ltd **	Ordinary	30 June,	MUR	1,500	46.01	-	53.99	Mauritius	Investment dealer
IMG Pharmaceuticals Limited	Ordinary	31 December,	Ushs.	10,000	90.10	-	9.90	Uganda	Healthcare services
International Air Ambulance Limited	Ordinary	31 December,	Ushs.	6,900,000	90.10	-	9.90	Uganda	Healthcare services
International Hospital Kampala Limited	Ordinary	31 December,	Ushs.	100,000	90.10	-	9.90	Uganda	Healthcare services
International Medical Centre Limited	Ordinary	31 December,	Ushs.	10,000	90.10	-	9.90	Uganda	Healthcare services
International Medical Group Limited	Ordinary	31 December,	Ushs.	7,210,000	90.10	-	9.90	Uganda	Investment
La Vallée de Ferney Company Ltd**	Ordinary	30 June,	MUR	5,000	42.64	-	57.36	Mauritius	Conservation
Le Café du Volcan Ltée	Ordinary	31 March,	MUR	25	58.60	-	41.40	Mauritius	Food & beverages
Mauritius International Trust Co Limited **	Ordinary	30 June,	USD	850	49.82	-	50.18	Mauritius	Business services
Mitco Advisory Ltd **	Ordinary	30 June,	USD	10	34.88	-	65.12	Seychelles	Corporate services
Mitco Corporate Services Ltd **	Ordinary	30 June,	MUR	93	49.82	-	50.18	Mauritius	Management services
Mitco Limited **	Ordinary	30 June,	USD	16	49.82	-	50.18	Seychelles	Corporate services
Mitco Services Ltd**	Ordinary	30 June,	USD	-	49.82	-	50.18	Mauritius	Non-trading
Rockwood Textiles Ltd	Ordinary	30 June,	MUR	9,637	-	100.00	-	Mauritius	Property
Rivière Champagne Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Non-trading
Rivière Champagne Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
Sun Resorts Limited	Ordinary	30 June,	MUR	1,817,257	-	59.79	40.21	Mauritius	Investment
The Medical & Surgical Centre Limited	Ordinary	31 March,	MUR	289,801	58.60	-	41.40	Mauritius	Healthcare services

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding Indirect 2016	Percentage Holding Indirect 2015	Proportion of Ownership Interests held by Non-Controlling Interests 2016	Proportion of Ownership Interests held by Non-Controlling Interests 2015	Country of Incorporation	Main Business
				000's	%	%	%	%		
CIEL TEXTILE LIMITED										
Ajax Sweaters Limited	Ordinary	30 June,	Taka	56,036	56.31	56.31	43.69	43.69	Bangladesh	Knitwear
Antsirabe Knitwear SA (3)	Ordinary	30 June,	MGA	1,000,000	56.31	-	43.69	-	Madagascar	Knitwear
Aquarelle Clothing Limited	Ordinary	30 June,	MUR	180,000	56.31	56.31	43.69	43.69	Mauritius	Woven
Aquarelle India Private Limited	Ordinary	31 March,	INR	24,000	56.31	56.31	43.69	43.69	India	Woven
Aquarelle International Limited	Ordinary	30 June,	MUR	7,404	56.31	56.31	43.69	43.69	Mauritius	Woven
Aquarelle Madagascar SARL	Ordinary	30 June,	MGA	225,000	56.31	56.31	43.69	43.69	Madagascar	Woven
CDL Knits Limited	Ordinary	30 June,	MUR	173,000	56.31	56.31	43.69	43.69	Mauritius	Knits
CielTex SA (Proprietary) Limited	Ordinary	30 June,	ZAR	1	56.31	56.31	43.69	43.69	South Africa	Retail
Consolidated Fabrics Ltd	Ordinary	30 June,	MUR	25,743	56.31	56.31	43.69	43.69	Mauritius	Woven
CTL Retail Ltd	Ordinary	30 June,	MUR	10,001	56.31	56.31	43.69	43.69	Mauritius	Retail
Ferney Spinning Mills Limited	Ordinary	30 June,	MUR	15,314	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal Creation SA (Wounded up 31 August 2015)	Ordinary	30 June,	Euro	-	-	56.31	-	43.69	France	Knitwear
Floreal Knitwear Ltd	Ordinary	30 June,	MUR	216,450	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal International Ltd	Ordinary	30 June,	MUR	14,000	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal Madagascar SA	Ordinary	30 June,	MGA	300,000	56.14	56.14	43.86	43.86	Madagascar	Knitwear
Floreal Property Ltd	Ordinary	30 June,	MUR	1	56.31	56.31	43.69	43.69	Mauritius	Knitwear
International Fabrics Ltd	Ordinary	30 June,	USD	11,328	56.31	56.31	43.69	43.69	Mauritius	Woven
Laguna Clothing (Mauritius) Ltd **	Ordinary	30 June,	MUR	20,000	28.16	28.16	71.84	71.84	Mauritius	Woven
Laguna Clothing Private Ltd	Ordinary	31 March,	INR	74,900	28.16	28.16	71.84	71.84	India	Woven
New Island Clothing Madagascar SA	Ordinary	30 June,	MGA	10,000	55.63	55.63	44.37	44.37	Madagascar	Woven
Societe Bonnetiere Malagasy - (Soboma)	Ordinary	30 June,	MGA	150,000	56.31	56.31	43.69	43.69	Madagascar	Knits
Société Civile Immobilières des Mascareignes	Ordinary	30 June,	MGA	2,000	56.31	56.31	43.69	43.69	Madagascar	Knitwear
Société Textile d'Andraharo SA - (Texaro)	Ordinary	30 June,	MGA	260,000	47.05	47.05	52.95	52.95	Madagascar	Knitwear
TKL International Ltd	Ordinary	30 June,	MUR	3,814	56.31	56.31	43.69	43.69	Mauritius	Knits
TKL Knits (India) Private Ltd	Ordinary	31 March,	INR	100,000	56.31	56.31	43.69	43.69	India	Knits
Tinka International Ltd	Ordinary	31 March,	HKG	100	56.31	56.31	43.69	43.69	Hong Kong	Woven
Tropic Knits Limited	Ordinary	30 June,	MUR	115,000	56.31	56.31	43.69	43.69	Mauritius	Knits
Tropic Madagascar SA	Ordinary	30 June,	MGA	3,000,000	56.31	56.31	43.69	43.69	Madagascar	Knits

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding Indirect 2016	Percentage Holding Indirect 2015	Proportion of Ownership Interests held by Non-Controlling Interests 2016	Proportion of Ownership Interests held by Non-Controlling Interests 2015	Country of Incorporation	Main Business
				000's	%	%	%	%		
SUN LIMITED										
Aberdeen Management Ltd*	Ordinary	31 December	USD	1	59.79	59.79	40.21	40.21	Guernsey	Non-trading
Ambre Resort Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Hotel
Anahita Hotel Ltd	Ordinary	31 December	MUR	1,060,443	59.79	59.79	40.21	40.21	Mauritius	Hotel
City and Beach Hotels (Mtius) Limited	Ordinary	30 June,	MUR	15,532	59.68	59.68	40.32	40.32	Mauritius	Property
Loisir des Iles ltee (Previously known as Hotel des Iles limited)	Ordinary	30 June,	MUR	60,800	59.77	59.77	40.23	40.23	Mauritius	Property
Long Beach IHS Ltd	Ordinary	30 June,	MUR	0	59.79	59.79	40.21	40.21	Mauritius	Property Developer
Solea Vacances SA	Ordinary	30 June,	EUR	152	59.79	59.79	40.21	40.21	France	Tour Operator
SRL Hotels International Ltd*	Ordinary	31 December	USD	12	59.79	59.79	40.21	40.21	Bermuda	Non-trading
SRL Kanuhura Ltd	Ordinary	31 December	USD	50	59.79	59.79	40.21	40.21	BVI	Hotel
SRL Maldives Ltd	Ordinary	30 June,	USD	50,000	59.79	59.79	40.21	40.21	Seychelles	Investment
SRL Management Ltd	Ordinary	30 June,	USD	45,000	59.79	59.79	40.21	40.21	Seychelles	Management
SRL Marketing Ltd	Ordinary	30 June,	GBP	0	59.79	59.79	40.21	40.21	UK	Marketing Office
SRL Property Ltd*	Ordinary	30 June,	MUR	0	59.79	59.79	40.21	40.21	Mauritius	Non-trading
SRL Tousserok Hotel Limited	Ordinary	30 June,	MUR	3,327,500	44.24	44.24	55.76	55.76	Mauritius	Hotel
Sun Centralised Services Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Centralised services
Sun Training Institute ltd (previously known as Sun Continuous Learning Group Limited)	Ordinary	30 June,	MUR	100	59.79	59.79	40.21	40.21	Mauritius	Training
Sun Hotel Holdings Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Investment
Sun Hotel Investment Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Investment
Sun International Hotel Holdings Ltd	Ordinary	30 June,	MUR	35	59.79	-	40.21	-	Mauritius	Investment
Sun International Investment Ltd	Ordinary	30 June,	MUR	35	59.79	-	40.21	-	Mauritius	Investment
Sun International Management Ltd	Ordinary	30 June,	MUR	35	59.79	-	40.21	-	Mauritius	Investment
Sun International Realty Development	Ordinary	30 June,	MUR	35	59.79	-	40.21	-	Mauritius	Property
Sun Leisure Hotels Limited	Ordinary	30 June,	MUR	25	59.79	59.79	40.21	40.21	Mauritius	Property
Sun Leisure Investments Limited*	Ordinary	30 June,	MUR	14,264	59.72	59.72	40.28	40.28	Mauritius	Non-trading
Sun Logistics Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Logistics
Sun Real Estates Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Property

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company					Percentage Holding Indirect		Proportion of Ownership Interests held by Non-Controlling Interests			
	Class of Shares	Year End	Denominated Currency	Stated Capital	2016	2015	2016	2015	Country of Incorporation	Main Business
				000's	%	%	%	%		
SUN LIMITED (cont'd)										
Sun Resorts CSR Fund Ltd	Ordinary	30 June,	MUR	1	59.79	59.79	40.21	40.21	Mauritius	Charitable Fund
Sun Resorts France Sarl	Ordinary	30 June,	EUR	100	59.79	59.79	40.21	40.21	France	Marketing Office
Sun Resorts Hotel Management Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Management
Sun Resorts International Limited	Ordinary	30 June,	USD	50,000	59.79	59.79	40.21	40.21	Mauritius	Investment
Sun Resorts (Seychelles) Limited*	Ordinary	30 June,	SEY Rs.	10	59.79	59.79	40.21	40.21	Seychelles	Non-trading
Sun Styled Boutiques Ltd (Previously Known as Alamanda Limited)	Ordinary	30 June,	MUR	600	59.79	59.79	40.21	40.21	Mauritius	Shops
Sun Support Ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Investment
Supply Chain Experts ltd	Ordinary	30 June,	MUR	10	59.79	-	40.21	-	Mauritius	Procurement
Washright Services Ltd	Ordinary	30 June,	MUR	10,000	59.79	59.79	40.21	40.21	Mauritius	Laundry and Retail
Wolmar Sun Hotels Limited	Ordinary	30 June,	MUR	25	59.79	59.79	40.21	40.21	Mauritius	Property
World Leisure Holidays (Pty) Ltd	Ordinary	30 June,	ZAR	306	59.79	59.79	40.21	40.21	South Africa	Tour Operator

* These companies were non-trading as at 30 June 2015 and 30 June 2016.

** Control of these subsidiaries is achieved either through board representation or through control of the interim investment vehicle.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests.

2016	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit for the Year	Other Comprehensive Income	Dividend paid to Non Controlling Interests
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
CIEL Textile Limited- Group	6,054,750	3,721,782	4,455,396	597,449	10,482,208	703,641	8,231	144,546
Sun Limited- Group	1,692,885	19,334,310	7,668,031	4,713,072	4,996,690	(369,461)	11,267	-
CIEL Finance Limited - Group	11,427,434	4,281,239	13,878,299	37,792	1,474,647	617,535	3,452	270,538
CIEL Healthcare Limited - Group	274,391	2,045,839	468,224	98,713	1,224,218	68,905	(130,974)	16,517
Ferney Limited	64,648	2,024,728	64,403	36,577	21,155	113,974	(89,699)	14,470

Summarised cash flow information:

2016	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (Decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
CIEL Textile Limited- Group	771,649	(843,516)	(52,825)	(124,692)
Sun Limited- Group	(273,039)	(1,634,086)	1,511,606	(395,519)
CIEL Finance Limited - Group	1,763,750	(175,584)	(389,439)	1,198,727
CIEL Healthcare Limited - Group	199,159	(1,073,714)	669,000	(205,555)
Ferney Limited	98,801	(5,956)	(40,000)	52,845

	Profit allocated to Non Controlling Interests during the period	Accumulated Non-Controlling Interests at 30 June 2016
	MUR'000	MUR'000
CIEL Textile Limited- Group	351,112	2,249,555
Ferney Limited	32,984	575,442
Sun Limited- Group	(217,668)	3,157,122
CIEL Healthcare Limited - Group	36,476	282,468
CIEL Finance Limited - Group	437,677	1,197,097

The summarised financial information above is the amount before intra-group eliminations.

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June 2016 & 2015 respectively.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(d) Summarised financial information on subsidiaries with material non-controlling interests.

	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit for the Year	Other Comprehensive Income	Dividend paid to Non Controlling Interests
2015	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
CIEL Textile Limited- Group	5,806,831	3,054,142	3,989,891	528,393	10,131,074	762,373	31,135	111,189
Sun Limited- Group	1,153,339	18,081,968	4,919,866	5,401,017	4,214,011	414,184	1,151,647	-
CIEL Finance Limited - Group	10,618,149	3,147,948	10,965,130	1,257,823	1,484,534	574,380	(186,192)	213,155
CIEL Healthcare Limited - Group	336,317	1,669,610	897,145	125,433	288,589	84,103	1,135	4,517
Ferney Limited	143,552	2,004,169	132,145	1,454	19,786	158,088	(27)	21,709

Summarised cash flow information:

	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (Decrease) in Cash and Cash Equivalents
2015	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
CIEL Textile Limited- Group	514,889	(294,640)	(61,278)	158,971
Sun Limited- Group	334,225	(2,643,058)	2,369,994	61,161
CIEL Finance Limited - Group	(835,258)	(133,852)	(285,319)	(1,254,429)
CIEL Healthcare Limited - Group	(453)	(531,190)	600,369	68,726
Ferney Limited	(50,404)	23,317	-	(27,087)

	Profit allocated to Non Controlling Interests during the period	Accumulated Non-Controlling Interests at 30 June 2015
	MUR'000	**MUR'000**
CIEL Textile Limited- Group	368,392	2,046,051
Ferney Limited	45,759	582,987
Sun Limited- Group	187,443	4,099,681
CIEL Healthcare Limited - Group	8,852	266,728
CIEL Finance Limited - Group	392,278	1,081,482

The summarised financial information above is the amount before intra-group eliminations.

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June 2016 & 2015 respectively.

8. INVESTMENTS IN JOINT VENTURES

Accounting policies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Separate financial statements

In the separate financial statements of the investor, investments in joint ventures are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Joint ventures are accounted for using the equity method (refer to note 9).

(a) **THE GROUP**

	2016	2015
	MUR'000	MUR'000
Opening balance	**993,147**	854,650
Transfer from deposit on investment	**-**	7,000
Addition	**86,500**	50,000
Movement in reserves	**161**	5,345
Impairment	**-**	(17,545)
Share of results	**146,998**	93,697
At 30 June	**1,226,806**	993,147

	2016	2015
	MUR'000	MUR'000
Made up as follows:		
Net assets	**1,052,321**	818,662
Goodwill	**174,485**	174,485
	1,226,806	993,147

(b) **THE COMPANY**

	2016	2015
	MUR'000	MUR'000
Unlisted	**Level 3**	Level 3
At 1 July	**1,093,690**	882,961
Transfer from deposit on investment	**-**	7,000
Addition	**-**	50,000
Impairment	**-**	(175,374)
Fair value adjustment	**(107,730)**	329,103
At 30 June	**985,960**	1,093,690

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(c) The results of the joint ventures, all of which were incorporated in Mauritius and unlisted, have been included in the consolidated financial statements.

Details of the joint ventures are as follows:

Name of joint ventures	Year end / Reporting date	Effective Percentage holding		Principal activity
		Direct	Indirect	
		%	%	
2016				
Anahita Residence and Villas Ltd	June	50%	-	Hotels and resorts
Bank One Limited	December	-	37.55%	Banking
Domaine de l'Etoile Limited	June	50%	-	Leisure
2015				
Anahita Residence and Villas Ltd	June	50%	-	Hotels and resorts
Bank One Limited	December	-	37.55%	Banking
Domaine de l'Etoile Limited	June	50%	-	Leisure

For the joint ventures having a different reporting date, management accounts have been prepared as at 30 June 2016 and 2015 respectively.

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

Summarised financial information in respect of each of the joint ventures is set out below:

	Assets	Liabilities	Revenue	Loss for the Period	Share of Profit/ (Loss)	Other Compre-hensive Income
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016						
Anahita Residence and Villas Ltd	**424,599**	**269,046**	**222,766**	**(16,598)**	**(8,299)**	**(470)**
Bank One Limited	**22,604,513**	**20,614,075**	**654,960**	**309,820**	**154,910**	**1,246**
Domaine de l'Etoile Limited	**1,733**	**7,991**	**3,663**	**773**	**387**	**8**
					146,998	
2015						
Anahita Residence and Villas Ltd	369,133	244,043	246,887	(6,836)	(3,418)	3,749
Bank One Limited	18,717,991	17,138,719	582,812	193,432	96,716	1,536
Domaine de l'Etoile Limited	1,903	8,951	3,156	798	399	60
					93,697	

The above amounts of assets, liabilities and results include the following:

	Cash & Cash Equivalents	Non Current Financial Liabilities	Current Financial Liabilities	Depreciation & Amortisation	Interest Income	Interest Expense	Income Tax
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016							
Anahita Residence and Villas Ltd	**9,490**	**131,983**	**128,740**	**14,865**	**-**	**3,506**	**-**
Bank One Limited	**4,372,564**	**19,564,882**	**1,049,193**	**34,308**	**956,464**	**301,503**	**(15,501)**
Domaine de l'Etoile Limited	**-**	**-**	**7,846**	**282**	**-**	**19**	**28**
2015							
Anahita Residence and Villas Ltd	11,447	19,284	156,915	15,027	-	9,707	-
Bank One Limited	4,578,425	16,040,515	1,098,104	37,221	897,442	314,629	11,645
Domaine de l'Etoile Limited	41	119	8,832	-	-	58	21

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Issue of Shares	Profit/(loss) for the Year	Other Comprehensive for the Year	Closing Net Assets	Ownership Interest	Goodwill	Interest in Joint ventures
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2016								
Anahita Residence and Villas Ltd*	**125,090**	**12,910**	**(16,598)**	**(940)**	**120,462**	**60,231**	**-**	**60,231**
Bank One Limited	**1,554,372**	**125,000**	**309,820**	**1,246**	**1,990,438**	**995,219**	**174,485**	**1,169,704**
Domaine de l'Etoile Limited	**(7,048)**	**-**	**798**	**(8)**	**(6,258)**	**(3,129)**	**-**	**(3,129)**
						1,052,321	**174,485**	**1,226,806**
2015								
Anahita Residence and Villas Ltd*	10,430	114,000	(6,836)	7,496	125,090	45,000	-	45,000
Bank One Limited	1,357,866	-	193,432	3,074	1,554,372	777,186	174,485	951,671
Domaine de l'Etoile Limited	(7,966)	-	798	120	(7,048)	(3,524)	-	(3,524)
						818,662	174,485	993,147

All the joint ventures operate in Mauritius.

* The company has undertaking towards the banks to meet the future cash-flow requirements of the investee company.

9. INVESTMENTS IN ASSOCIATED COMPANIES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in associated companies are carried at fair value.

The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

(a)

THE GROUP	2016	2015
	MUR'000	MUR'000
At 1 July	**4,767,586**	4,133,885
Transfer to investments in subsidiaries	**-**	(351,991)
Transfer from investments in subsidiaries	**-**	(2,755)
Share of results net of dividends	**2,850**	77,573
Additions	**580,140**	1,814,959
Redemption	**(188,766)**	(3,901)
Acquisition through business combination	**-**	112,648
Disposal	**-**	(919,776)
Movement in reserves	**(93,045)**	(93,056)
At 30 June	**5,068,765**	4,767,586

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

	2016	2015
	MUR'000	MUR'000
Made up as follows:		
Net assets	4,837,520	4,755,735
Goodwill	231,245	11,851
	5,068,765	4,767,586
Group's share of net assets		
Listed	3,506,970	3,521,603
Unquoted	1,330,550	1,234,132
	4,837,520	4,755,735

(b) **THE COMPANY**

	Level 1	Level 3		
			TOTAL	
	Listed	Unquoted	2016	2015
	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	1,952,592	471,384	2,423,976	2,807,186
Additions	-	-	-	356,234
Redemption	-	-	-	(1,583)
Transfer to investments in subsidiary companies	-	-	-	(487,863)
Fair value adjustment	(160,213)	(125,867)	(286,080)	(249,998)
At 30 June	1,792,379	345,517	2,137,896	2,423,976
Proceeds from disposal	-	-	-	1,583

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The results of the following associated companies, all of which were incorporated in Mauritius, have been included in the consolidated financial statements.

Details of the associates are as follows:

Name of associates	Year end / Reporting date	Effective percentage holding				Principal activity
		Indirect		Direct		
		2016	2015	**2016**	2015	
Alteo Limited	June	**-**	-	**20.96%**	20.96%	Agro-Property
Laboratoire Internationale Bio Analyse Ltée	June	**18.86%**	35.00%	**-**	-	Healthcare
Hygeia Nigeria Limited	December	**12.29%**	-	**-**	-	Healthcare
HNL Investment Limited	December	**13.01%**	-	**-**	-	Healthcare
Procontact Limited	June	**-**	-	**31.37%**	31.37%	Call centre
The Kibo Fund LLC	December	**29.79%**	32.89%	**-**	-	Investment entity
Kibo Capital Partners Ltd	December	**37.55%**	41.45%	**-**	-	Fund management
Anahita Golf Limited	June	**14.95%**	14.95%	**-**	-	Operating a Golf course and restaurant activities
EastCoast Hotel Investment Ltd	June	**17.94%**	17.94%	**-**	-	Investment holding

The Group acquired additional interest in Medical & Surgical Centre Ltd and obtained control of the company in February 2015.

For the associates having a different reporting date, management accounts have been prepared as at 30 June 2016 and 2015 respectively.

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Summarised financial information in respect of each of the associates is set out below:

	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit/(loss) for the Year Attributable to Shareholders	Share of Profit / (Loss)	Dividends Received during the Year
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016								
Alteo Limited	5,252,934	23,791,765	3,747,520	6,006,078	8,258,013	264,211	55,378	53,404
Laboratoire Internationale Bio Analyse Ltée	4,629	7,662	7,559	2,651	14,290	(5,439)	(1,903)	-
Hygeia Nigeria Limited	720,871	479,564	521,375	108,274	827,992	(29,654)	(6,764)	-
Procontact Limited	59,575	20,670	12,607	2,455	117,478	16,393	4,459	-
The Kibo Fund LLC	2,194	884,594	3,541	-	3,820	23,069	9,152	-
Kibo Capital Partners Ltd	24,554	4,553	13,676	4,215	54,503	5,463	2,731	-
Anahita Golf Limited	10,701	685,661	39,802	233,168	101,839	(27,199)	(6,799)	-
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	-	-	-	-
							56,254	

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenue	Profit/(loss) for the Year Attributable to Shareholders	Share of Profit / (Loss)	Dividends Received during the Year
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2015								
Alteo Limited	5,141,377	21,398,878	3,118,097	3,952,765	7,051,853	690,206	104,201	53,404
Laboratoire Internationale Bio Analyse Ltée	12,304	9,506	5,142	3,644	8,780	(9,151)	(3,203)	-
Procontact Limited	46,121	27,344	18,350	981	96,302	18,712	5,870	-
The Kibo Fund LLC	359,470	863,193	4,090	-	53,172	181,084	(1,227)	-
Kibo Capital Partners Ltd	9,170	1,811	4,804	5,039	23,835	6,756	3,378	-
Anahita Golf Limited	9,256	708,840	40,530	226,975	-	-	(7,805)	25,200
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	-	-	-	-
Investments transferred to subsidiaries								
Anahita Hotel Ltd							35,753	
The Medical & Surgical Centre Limited							13,966	
							150,933	

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening/ Date of acquisition Net Assets	Redemp-tion/ issue of Shares	Results Net of Dividends	Other Comprehen-sive for the Year	Closing Net Assets	Ownership Interest	Goodwill	Interest in Associates
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2016								
Alteo Limited	**16,801,553**	**-**	**9,418**	**(79,232)**	**16,731,739**	**3,506,893**	**-**	**3,506,893**
Laboratoire Internationale Bio Analyse Ltée	**3,518**	**4,000**	**(5,438)**	**-**	**2,080**	**728**	**-**	**728**
Hygeia Nigeria Limited	**590,850**	**-**	**(29,654)**	**9,590**	**570,786**	**226,640**	**219,394**	**446,034**
Procontact Limited	**22,023**	**-**	**16,393**	**-**	**38,416**	**12,051**	**11,851**	**23,902**
The Kibo Fund LLC	**1,034,396**	**(464,838)**	**23,069**	**106,442**	**699,069**	**277,307**	**-**	**277,307**
Kibo capital partners Ltd	**1,137**	**3,334**	**5,314**	**1,429**	**11,214**	**5,608**	**-**	**5,608**
Anahita Golf Limited	**450,591**	**-**	**(27,199)**	**-**	**423,392**	**105,848**	**-**	**105,848**
EastCoast Hotel Investment Ltd	**2,341,483**	**-**	**-**	**-**	**2,341,483**	**702,445**	**-**	**702,445**
						4,837,520	**231,245**	**5,068,765**
2015								
Alteo Limited	16,807,960	-	242,352	(248,759)	16,801,553	3,521,604	-	3,521,604
Laboratoire Internationale Bio Analyse Ltée	12,669	-	(9,151)	-	3,518	1,231	-	1,231
Procontact Limited	15,696	-	18,712	(12,385)	22,023	6,909	11,851	18,760
The Kibo Fund LLC	1,013,518	76,687	(3,093)	(52,716)	1,034,396	410,330	-	410,330
Kibo capital partners Ltd	(5,510)	-	6,756	(109)	1,137	569	-	569
Anahita Golf Limited	450,591	-	-	-	450,591	112,647	-	112,647
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	2,341,483	702,445	-	702,445
						4,755,735	11,851	4,767,586

All the associates operate in Mauritius.

The fair value of the Company's interest in associates at 30 June 2016 which are listed / quoted on the Stock Exchange of Mauritius is as follows:

	2016	2015
	MUR'000	MUR'000
Alteo Limited	**1,792,380**	1,952,592

10. INVESTMENTS IN OTHER FINANCIAL ASSETS

Accounting policies

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs, and subsequently measured at fair value. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income. When the financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

Available-for-sale

The movement in investments in financial assets are summarised as follows:

(a) **THE GROUP**

	2016				2015
	Level 1	**Level 1 DEM**	**Level 3**		
	Listed	**Quoted**	**Unquoted**	**Total**	Total
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000
At 1 July	**72,059**	**29,590**	**96,169**	**197,818**	196,745
Additions	-	-	**32,505**	**32,505**	6,336
Translation difference	-	-	**184**	**184**	(2,789)
Disposals	-	-	**(6,185)**	**(6,185)**	(6,491)
Fair value adjustment	**(6,992)**	**(6,667)**	**15,330**	**1,671**	4,017
At 30 June	**65,067**	**22,923**	**138,003**	**225,993**	197,818
Broken down as follows:					
Banking segment	-	-	**19,248**	**19,248**	19,721
Non-banking segment	**65,067**	**22,923**	**118,755**	**206,745**	178,097
	65,067	**22,923**	**138,003**	**225,993**	197,818

(b) **THE COMPANY**

	2016				2015
	Level 1	**Level 1 DEM**	**Level 3**		
	Listed	**Quoted**	**Unquoted**	**Total**	Total
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	MUR'000
At 1 July	**72,057**	**29,590**	**62,510**	**164,157**	156,425
Additions	-	-	-	-	4,689
Redemption	-	-	**(5,193)**	**(5,193)**	-
Disposals	**(6)**	-	-	**(6)**	(1,025)
Fair value adjustment	**(6,992)**	**(6,667)**	**39,387**	**25,728**	4,068
At 30 June	**65,059**	**22,923**	**96,704**	**184,686**	164,157

10. INVESTMENTS IN OTHER FINANCIAL ASSETS (CONT'D)

(c) Details of those companies, other than subsidiary and associated companies, in which the Company holds more than 10% of the issued shares are:

Name of company	Class of shares held	Percentage Holding 2016	Percentage Holding 2015
		%	%
Cathedrale Development Ltd*	Ordinary shares	**20.00**	20.00
Ipro Growth Fund	Ordinary shares	**11.62**	10.47

* The Company does not exercise any significant influence on the above Company and as such has not accounted for this investment as associate.

(d) Available-for-sale financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Rupee	**105,423**	128,047	**93,124**	115,450
US Dollar	**101,275**	44,858	**91,562**	43,682
Euro	**266**	5,217	**-**	5,025
Ariary	**19,029**	19,696	**-**	-
	225,993	197,818	**184,686**	164,157

(e) None of the financial assets are impaired.

11. DEPOSIT ON INVESTMENTS

	THE COMPANY	
	2016	2015
	MUR'000	MUR'000
Share appreciation rights scheme	**41,081**	42,160
Executive share scheme	**14,797**	7,431
Deposit on shares	**24,000**	-
Other share based-payment scheme	**6,627**	6,627
	86,505	56,218

12. LEASEHOLD RIGHTS AND LEASEHOLD LAND PREPAYMENTS

Accounting policies

Leasehold land upfront payments to acquire long term leasehold interest in property are treated as prepayments and are amortised over the period of the leases.

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
COST		
At 1 July	**463,478**	223,292
Adjustment to opening balances	**24,360**	-
Acquisition of subsidiary	**-**	234,077
Translation difference	**905**	6,109
	488,743	463,478
ACCUMULATED AMORTISATION		
At 1 July	**39,914**	28,577
Adjustment to opening balances	**(1,929)**	-
Acquisition of subsidiary	**-**	2,377
Charge for the year	**12,986**	9,132
Translation difference	**66**	(172)
	51,037	39,914
NET BOOK VALUE		
At 30 June	**437,706**	423,564

12. LEASEHOLD RIGHTS AND LEASEHOLD LAND PREPAYMENTS (CONT'D)

Leasehold land have been valued taking into consideration comparable sales evidences and lease terms conditions.

As at 30 June 2015 the valuation carried out by Broll Indian Ocean Ltd, Chartered Valuers valued leasehold land held by the subsidiaries operating in the hotel segment in Mauritius at MUR 4,815M and the subsidiary in Maldives at USD 16M. The carrying amount of the land prepayments included above is MUR 396.5M.

13. NON-CURRENT RECEIVABLES

Accounting policies

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the effective interest rate. The amount of loss is recognised in profit or loss. Long term receivables without fixed maturity terms are measured at cost. If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value (PV) of estimated cash flows discounted at the current market rate of return of similar financial assets.

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Receivable from sale of land	**2,580**	11,085
Long-term deposits	**22,637**	29,561
Loan to an associate company	**-**	32,201
Loans under Executive Share Scheme (Note a)	**16,920**	36,279
Advance payments (Note b)	**21,531**	61,222
Others	**51,560**	-
	115,228	170,348

(a) Loans under Executive Share Scheme - Hotel Segment

The loans under the Executive Share Scheme may be repayable as from the date of issue. The amount payable will either be (i) a maximum of 20% of the loan amount after the end of the first year and thereafter a further maximum of 20% of the loan amount after the end of each year or (ii) the repayment of the full loan but not later than the end of the tenth year (2017). The loans are secured by way of shares and bear interest at 3% per annum if dividends are declared by Sun Limited.

(b) Advance payments- Hotel Segment

Advance payments were made in Euro as part of the transaction agreement signed in respect of the lease of the Ambre Resort & Spa and are refundable as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Receivable within one year	**38,875**	57,149
Receivable after one year but before two years	**21,531**	61,222
	60,406	118,371

14. INVENTORIES

Accounting policies

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in and first-out method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials - purchase cost on a weighted average cost basis

Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Raw materials	**1,062,677**	776,470
Work in progress	**1,200,341**	1,396,840
Finished goods	**331,899**	309,098
Other stocks	**126,400**	108,572
Food and Beverages	**40,064**	50,537
Operating Supplies	**35,025**	71,041
Spare Parts	**9,807**	1,530
IHS - Rooms	**55,260**	59,536
Operating Equipment	**100,099**	101,283
Fabric and linen	**26,599**	3,285
Goods in transit	**163,034**	137,307
Provision for obsolescence	**(62,546)**	(83,509)
	3,088,659	2,931,990

The cost of inventories recognised as an expense is MUR 5.9bn (2015: MUR 5.1bn)

Some of the inventories have been pledged as security for the borrowings of the Group.

15. TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

15. TRADE AND OTHER RECEIVABLES (CONT'D)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Trade receivables	**3,132,864**	2,931,547	**-**	-
Provision for impairment	**(114,830)**	(94,774)	**-**	-
	3,018,034	2,836,773	**-**	-
Receivable from subsidiary companies	**-**	-	**198,735**	174,657
Receivable from associated companies	**5,390**	10,167	**32,514**	32,514
Receivable from related corporations	**-**	148	**-**	-
Prepayments and other receivables	**1,649,510**	1,187,942	**681**	43,624
Derivative financial instruments	**57,414**	21,589	**-**	-
Advance payments	**40,516**	57,159	**-**	-
Dividend receivable	**30,040**	30,040	**-**	-
Current accounts with other financial institutions	**4,842**	188,808	**-**	-
	4,805,746	4,332,626	**231,930**	250,795
Broken down as follows:				
Banking segment	**539,431**	645,276		
Non-banking segment	**4,266,315**	3,687,350		
	4,805,746	4,332,626		

(a) The carrying amount of trade and other receivables approximate their fair value.

The Group does not hold any collateral as security except for the hotel segment where there is an insurance cover against irrecoverable debts.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, net of insurance cover. At year end, trade receivables of MUR 114.8M were impaired and fully provided for.

(b) Ageing of past due trade receivables but not impaired

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
0 to 3 months	**479,962**	349,766
3 to 6 months	**393,057**	103,561
Over 6 months	**117,163**	152,379
	990,182	605,706

(c) The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Rupee	**1,197,548**	521,071
Ariary	**376,705**	264,374
US Dollar	**1,477,840**	1,327,204
Euro	**482,740**	573,779
UK Pound	**380,382**	580,955
ZAR	**357,795**	433,129
INR	**389,594**	365,895
Other currencies	**143,142**	266,219
	4,805,746	4,332,626

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) The movement in the provision for impairment of trade receivables is as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Opening balance	**94,774**	46,047
Acquisition of subsidiary	**-**	274
Amounts written off	**(16,515)**	(10,215)
Unused amounts reversed	**(2,001)**	(5,548)
Provision for the year	**38,572**	64,216
	114,830	94,774

16. CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include cash in hand, deposits at call, short term bank deposits and cash in transit.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Cash in hand	**996,028**	835,862	**-**	-
Foreign currency notes and coins	**137,177**	97,436	**-**	-
Balances with the Central Bank	**956,403**	970,579	**-**	-
Balances due in clearing	**(3,949)**	34,384	**-**	-
Balances with banks	**2,357,248**	1,256,786	**722**	1,457
Placements	**1,140,444**	1,265,204	**1,130**	40,115
	5,583,351	4,460,251	**1,852**	41,572
Broken down as follows:				
Banking segment	**4,516,563**	3,309,937		
Non-banking segment	**1,066,788**	1,150,314		
	5,583,351	4,460,251		

The balances with the central bank relates to the Central Bank of Madagascar.

17. NON CURRENT ASSETS HELD FOR SALE

Accounting policies

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

17. NON CURRENT ASSETS HELD FOR SALE (CONT'D)

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
The movement for the year is as follows:	**MUR'000**	MUR'000	**MUR'000**	MUR'000
At 1 July	**19,693**	462,907	**-**	414,275
Disposal	**-**	(443,214)	**-**	(414,275)
As at 30 June	**19,693**	19,693	**-**	-

(a) Non-current assets held for sale consist of land which has been earmarked for sale and is in process of finalisation

(b) During the year ended 2015, the Company disposed of an investment in a previously held associate for MUR 414,275K.

18. LOANS AND ADVANCES TO CUSTOMERS

Accounting policies

Loans are non-derivative financial assets with fixed or determinable payments and are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method, less any impairment.

	THE GROUP	
	2016	2015
Banking Segment	**MUR'000**	MUR'000
Retail customers:		
Mortgages	**117,552**	90,353
Other retail loans	**1,558,611**	1,411,427
Corporate customers	**8,152,641**	7,231,209
	9,828,804	8,732,989
Less:		
Allowances for credit impairment	**(1,314,141)**	(1,316,427)
	8,514,663	7,416,562
Remaining terms to maturity		
Within one year	**5,035,548**	4,807,383
Over 1 year and up to 5 years	**2,580,354**	2,233,953
Over 5 years	**898,761**	375,226
	8,514,663	7,416,562

19. INVESTMENTS IN SECURITIES

Accounting policies

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

19. INVESTMENTS IN SECURITIES (CONT'D)

	THE GROUP	
	2016	2015
Held-to-maturity	**MUR'000**	MUR'000
Banking Segment		
Treasury bills	**1,247,635**	1,736,259
Interest on treasury bills	**50,910**	108,672
	1,298,545	1,844,931
Remaining terms to maturity		
Within one year	**1,298,545**	1,844,931

The investment in securities are denominated in Ariary.

The securities have coupon rates ranging from 7.39% to 11.70%.

None of the financial assets are either past due or impaired.

20. STATED CAPITAL AND TREASURY SHARES

Accounting policies

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds. Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received is included in equity attributable to the Company's equity holders.

	THE GROUP AND THE COMPANY		
	Stated Capital	Treasury Shares	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2014	**4,246,423**	**(270,999)**	**3,975,424**
Issue of shares to executives (Note 1)	**1,931**	**4,698**	**6,629**
Issue of shares on exercise of rights (Note 2)	**-**	**1,665**	**1,665**
At 30 June 2015	**4,248,354**	**(264,636)**	**3,983,718**
Issue of shares to executives (Note 3)	**1,063**	**3,802**	**4,865**
Issue of shares on exercise of rights (Note 4)	**-**	**5,773**	**5,773**
At 30 June 2016	**4,249,417**	**(255,061)**	**3,994,356**

	THE GROUP AND THE COMPANY Number of shares		
	Stated Capital	Treasury Shares	Total
	000's	000's	000's
At 30 June 2014	**1,576,176**	**(55,092)**	**1,521,084**
Issue of shares to executives (Note 1)	**-**	**955**	**955**
Issue of shares on exercise of rights (Note 2)	**-**	**580**	**580**
At 30 June 2015	**1,576,176**	**(53,557)**	**1,522,619**
Issue of shares to executives (Note 3)	**-**	**480**	**480**
Issue of shares on exercise of rights (Note 4)	**-**	**1,940**	**1,940**
At 30 June 2016	**1,576,176**	**(51,137)**	**1,525,039**

The stated number of ordinary shares is 1,525,039,944 at no par value (2015: 1,522,619,008 shares at no par value).

Fully paid up ordinary shares carry one voting right and a right to dividend.

20. STATED CAPITAL AND TREASURY SHARES (CONT'D)

Note 1

In June 2014, an amount of MUR 6,629K net of tax worth of CIEL Ltd ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2014 of MUR 6.92, 955,022 shares were issued in October 2014.

Note 2

During the year 2015, an executive of the Group has exercised his rights to acquire 580,259 of CIEL Ltd ordinary shares under the Share Appreciation Rights Scheme.

Note 3

In June 2015, an amount of MUR 6,917K net of tax worth of CIEL Ltd ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2015 of MUR 7.20, 480,376 shares were issued in 2016.

Note 4

During the year, executives of the Group have exercised their rights to acquire 1,940,560 of CIEL Ltd ordinary shares under the Share Appreciation Rights Scheme.

21. REDEEMABLE RESTRICTED A SHARES

	THE GROUP AND THE COMPANY	
	Redeemable Restricted A Shares	Number of Shares
	MUR'000	000's
At 30 June 2015 & 2016	**39,233**	**3,008,887**

At a Special Meeting held on 30 October 2013, shareholders approved that the share capital of the company be reorganised into 2 classes of shares, as follows:

- Existing Ordinary Shares which hold all economic rights including the right to dividends and voting rights.

- Redeemable Restricted A Shares, being a new class of shares, with no economic rights attached but with voting rights.

Shareholders of the company had the option for every Ordinary Share held by them after the share split, to choose between receiving:

(i) Either a cash dividend of 5 cents;

(ii) Or 4 'Redeemable Restricted A Shares'.

The rights attached to the Redeemable Restricted A Shares are as follows;

(i) The right to vote at general meetings and on a poll to cast one vote for each share held;

(ii) The right to participate in a rights issue together with the holders of Ordinary Shares on the condition that the holders of each class of shares shall be entitled to subscribe to Shares of that class only;

(iii) No right to any Distribution;

(iv) No right to any surplus assets of the company in case of winding up;

(v) No right to be transferred except with the consent of the holders of at least 75% of the shares of that class.

The Redeemable Restricted A Shares shall be redeemed at the option of the company for no consideration, should the holders either directly or indirectly through successive holding entities, in the aggregate, hold less than 10% of the issued Ordinary Shares in the capital of the company.

22. OTHER COMPREHENSIVE INCOME

(a) **GROUP**

	Revaluation Surplus	Available-For-Sale Fair Value Reserve	Cash Flow/ Hedging Reserve	Translation of Foreign Operation	Actuarial Reserves	Total
2016	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit obligations	-	-	-	-	(59,621)	(59,621)
Deferred tax on remeasurements of post retirement benefit obligations	-	-	-	-	8,170	8,170
Gain on revaluation of land and buildings	209,880	-	-	-	-	209,880
Deferred tax on revaluation gain	(59,916)	-	-	-	-	(59,916)
Items that may be reclassified subsequently to profit or loss:						
Fair value adjustment	-	(14,374)	-	-	-	(14,374)
Share of joint venture & associates	-	38,147	-	(132,263)	-	(94,116)
Currency translation differences	-	-	-	67,144	-	67,144
Cash flow hedges	-	-	(4,700)	-	-	(4,700)
Deferred tax on cash flow hedges	-	-	8,279	-	-	8,279
	149,964	23,773	3,579	(65,119)	(51,451)	60,746

22. OTHER COMPREHENSIVE INCOME (CONT'D)

GROUP	Revaluation Surplus	Available-For-Sale Fair Value Reserve	Cash Flow/ Hedging Reserve	Translation of Foreign Operation	Other Reserves	Actuarial Reserves	Total
2015	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Items that will not be reclassified to profit or loss:							
Remeasurement of defined benefit obligations	-	-	-	-	-	(32,139)	(32,139)
Deferred tax on remeasurements of post retirement benefit obligations	-	-	-	-	-	4,574	4,574
Share of joint venture & associates	-	-	-	-	(17,178)	-	(17,178)
Gain on revaluation of land and buildings	823,770	-	-	-	-	-	823,770
Deferred tax on revaluation gain	(86,951)	-	-	-	-	-	(86,951)
Items that may be reclassified subsequently to profit or loss:							
Fair value adjustment	-	1,977	-	-	-	-	1,977
Share of joint venture & associates	-	1,537	3,749	(14,428)	(61,391)	-	(70,533)
Currency translation differences	-	-	-	184,406	-	-	184,406
Other deferred tax	-	-	-	-	925	-	925
Cash flow hedges	-	-	90,226	-	-	-	90,226
Deferred tax on cash flow hedges	-	-	(3,763)	-	-	-	(3,763)
	736,819	3,514	90,212	169,978	(77,644)	(27,565)	895,314

(b)

	2016	2015
	MUR'000	MUR'000
Revaluation surplus	2,635,744	2,629,224
Fair value reserve	254,095	211,349
Cash flow reserve	28,140	28,162
Translation reserve	45,958	50,598
Actuarial reserves	(176,606)	(138,842)
Other reserves	(47,422)	(70,954)
	2,739,909	2,709,537

22. OTHER COMPREHENSIVE INCOME (CONT'D)

(b) **COMPANY**

	Fair Value Reserve	Hedging Reserve	Total	Total
	2016	**2016**	**2016**	2015
	MUR'000	**MUR'000**	**MUR'000**	MUR'000
Fair value adjustment	**(216,115)**	**-**	**(216,115)**	2,029,005
Cash flow hedge	-	**(3,545)**	**(3,545)**	(4,251)
	(216,115)	**(3,545)**	**(219,660)**	2,024,754

(c) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until investments are derecognised or impaired.

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation of foreign operations

The translation reserve comprises all foreign currency difference arising for the translation of the financial statements of foreign operation.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

23. SHARE BASED SCHEMES

(a) **Share Appreciation Rights Scheme**

The Group operates a Share Appreciation Rights Scheme (SARS) for Executives employed by subsidiaries of the CIEL Group. Selected executives only are entitled to participate in the Scheme. Under the Scheme, selected executives are granted a number of rights based on their current salary. The rights will be settled by CIEL Ltd issuing shares equivalent to the difference between the exercise price and the grant price per share of such share of such number of SARS exercised to the holder of the rights upon exercise. CIEL Ltd may buy back shares from the market, or utilise its treasury shares. Under the Scheme, the Company may repurchase the rights after the vesting date instead of issuing shares to settle the SARS at the exercise date. The rights vest after three years from grant date and lapse after seven years from grant date.

The Scheme operated previously under ex-CIEL Investment Ltd before the amalgamation with Deep River Investment Ltd in January 2014. Following the amalgamation and the issue of 344,827,586 new no par value ordinary shares by way of private placement by CIEL Ltd, the number of SARS originally granted and the grant price of the underlying shares were adjusted accordingly. The last issue of the SARS dates back to April 2013.

The said scheme has been brought to an end since that date.

23. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (CONT'D)

(a) **Share Appreciation Rights Scheme (cont'd)**

Accounting policies

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The proceeds, if any, received net of any directly attributable transaction costs are credited to stated capital when the options are exercised.

Movements in the rights outstanding:

	Grant Price	Number of rights
Granted - in respect of financial year March 2008	6.95	4,332,086
- in respect of financial year March 2009	4.36	7,049,710
- in respect of financial year March 2010	5.44	5,647,572
- in respect of financial year March 2011	4.90	4,159,523
- in respect of financial year March 2012	4.09	5,251,546
- in respect of financial year March 2013	3.75	6,048,089
Total granted		32,488,526
Rights exercised during 2015		
- relating to financial year March 2009		(1,171,533)
- relating to financial year March 2011		(700,000)
Rights exercised during 2016		
- relating to financial year March 2009		(5,878,177)
- relating to financial year March 2010		(937,534)
- relating to financial year March 2011		(366,912)
- relating to financial year March 2012		(400,000)
Rights lapsed and not exercised		
- relating to financial year March 2008 at MUR 2.18 per right		(4,332,086)
Outstanding at year end		18,702,284

The exercise price of the SARS is the market value of the underlying shares on the business day immediately preceding the exercise date.

Of the outstanding rights, 20,236,818 had vested and were exercisable.

Vesting date

1 April	Number of rights
2012	5,878,177
2013	5,647,572
2014	3,459,523
2015	5,251,546
2016	6,048,089

23. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (CONT'D)

The fair value of the rights were determined using the Black Scholes model, the assumptions of the model is tabled below:

Grant year	2014	2013	2012	2011	2010
Share Price at Grant date (in Rs)	3.75	4.09	4.90	5.44	4.36
Vesting Period (in Years)	3	3	3	3	3
Expected Volatility	36%	37%	38%	39%	40%
Expected Dividend Yield	2.2%	2.5%	2.0%	2.5%	2.5%
Risk Free Rate	4.90%	5.50%	5.25%	5.75%	6.50%
Value of SARS (in MUR)	0.96	1.07	1.34	1.50	1.26
Fair value of rights issued (in MUR'000)	5,821	5,621	5,590	8,472	8,849
Amortised SARS value	2,425	4,216	5,590	8,472	8,849

The fair value of the SARS issued is amortised over a 3 year period, i.e. between the grant date and vesting date.

The volatility assumptions, measured at the standard deviation of the expected share prices is based on statistical analysis of historical share prices.

(b) **Share Based Scheme – equity settled**

In July 2014, an incentive scheme was set up in order to remunerate some key executives of the Group. The annual entitlement is payable 50% in cash and 50% in terms of shares in CIEL Ltd.

The entitlement for the years ended 30 June 2016 and 2015 is as follows:

	2016	2015
	MUR'000	MUR'000
Cash settlement	**7,269**	8,138
Equity settlement	**7,269**	8,138
	14,538	16,276

For the entitlement relating to 2015, based on the share price as at 30 June 2015 of MUR 7.20, this will represent 960,751 shares which will be issued in June 2016 and June 2017.

For the entitlement relating to 2016, based on the share price as at 30 June 2016 of MUR 6.12, this will represent 1,009,581 shares which will be issued in June 2017 and June 2018.

24. BORROWINGS

Accounting policies

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

24. BORROWINGS (CON T'D)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
Current	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Bank overdrafts	**2,006,902**	1,427,933	**804**	10,455
Bank loans repayable by instalments	**4,761,450**	2,540,791	**-**	8,000
Finance lease obligation	**54,732**	69,423	**-**	-
Cash at call with subsidiaries	**-**	-	**96,144**	73,106
Debentures	**86,800**	24,800	**-**	-
Other loans	**85,781**	150	**-**	-
Money market line	**389,972**	350,000	**-**	350,000
Bills discounted	**750,705**	714,603	**-**	-
Import loan	**816,221**	683,236	**-**	-
	8,952,563	5,810,936	**96,948**	441,561
Non-current				
Bank loans repayable by instalments	**4,160,355**	4,364,253	**-**	-
Fixed rate secured notes (note (b))	**1,000,050**	1,000,050	**1,000,050**	1,000,050
Debentures	**-**	74,400	**-**	-
Other loans	**95,229**	1,652	**-**	-
Finance lease obligation	**111,721**	164,887	**-**	-
	5,367,355	5,605,242	**1,000,050**	1,000,050
Total borrowings	**14,319,918**	11,416,178	**1,096,998**	1,441,611
Non-banking segment	**14,319,918**	11,416,178		

(a) The bank borrowings are secured by fixed and floating charges over the assets of the Group.

24. BORROWINGS (CONT'D)

(b) Break-down of the notes based on maturity and coupon rate is as follows:

Coupon rate	Maturity	No of notes issued	MUR'000
5.30%	3 years	3,000	299,999
5.85%	4 years	3,000	299,998
5.83%	5 years	4,000	400,053
			1,000,050

These notes are secured against shares held in a listed company.

(c) Non-current bank loans repayable by instalments can be analysed as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
-after 1 year and before 2 years	**612,845**	895,486	**-**	-
-after 2 years and before 3 years	**684,572**	795,810	**-**	-
-after 3 years and before 5 years	**994,650**	1,931,425	**-**	-
-after 5 years	**1,868,288**	741,532	**-**	-
	4,160,355	4,364,253	**-**	-

(d) Finance lease liabilities - minimum lease payments:

The obligations under finance leases are secured by the underlying assets and the maturity profiles are as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Not later than 1 year	**62,488**	77,742
Later than 1 year and not later than 2 years	**52,111**	61,746
Later than 2 years and not later than 3 years	**49,062**	48,207
Later than 3 years and not later than 5 years	**20,749**	66,871
Later than 5 years	**-**	1,652
	184,410	256,218
Future finance charges on finance leases	**(17,956)**	(21,908)
Present value of finance lease liabilities	**166,454**	234,310
The present value of finance lease facilities may be analysed as follows:		
Not later than 1 year	**54,732**	69,423
Later than 1 year and not later than 2 years	**46,848**	55,719
Later than 2 years and not later than 3 years	**45,052**	44,605
Later than 3 years and not later than 5 years	**19,822**	63,363
Later than 5 years	**-**	1,200
	166,454	234,310

Lease liabilities are effectively secured as the rights to the lease assets revert to the lessor in the event of default

The Group leases plant and machinery, motor vehicles and equipment under finance leases. The leases have varying terms and purchase options. There are no restrictions imposed on the Group by lease arrangements other than in respect of the specific assets being leased. The Group has the option to purchase equipment at the end of the lease period. The obligations under finance leases are secured by the lessors' title to the leased assets.

e) Debentures

The debentures had been rescheduled during the financial year 2012. The debentures are secured by floating charges over the assets of the Group and bear interest that varies with the bank's prime lending rate.

24. BORROWINGS (CONT'D)

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Not later than 1 year	**86,800**	24,800
Later than 1 year and not later than 2 years	**-**	24,800
Later than 2 years and not later than 3 years	**-**	24,800
Later than 3 years and not later than 5 years	**-**	24,800
Total	**86,800**	99,200

(f) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	%	%	**%**	%
Mauritian rupee				
Bank overdrafts	6.0% - 6.9%	6.0% - 7.0%	6.65% - 6.9%	6.9% - 7.0%
Bank loans repayable by instalments	7.0% - 12.50%	PLR+1% - 7.23%	-	7.65% - 8.0%
Fixed rate multicurrency notes	5.3% - 5.85%	5.3% - 5.85%	5.3% - 5.85%	5.3% - 5.85%
Finance lease obligations	7.5% - 10.5%	7.5% - 10.5%	-	-
Bills discounted	PLR	PLR	-	-
Debentures	7.40%	PLR + 1%	-	-
Money market line	3.75% - 5.5%	1.75% - 5.5%	4.3% - 5.25%	4.3% - 5.5%
US Dollar				
Bank overdrafts	Libor + 1.5%/+ 2.75%	Libor + 1.5%/+ 3.5%	-	-
Bank loans repayable by instalments	3.21%	4.00%	-	-
Finance lease obligations	2.90%	2.90%	-	-
Bills discounted	Libor + 1.5%/+ 2.75%	Libor + 1.5%/+ 3.5%	-	-
Money market line	2.25% - 3.00%	-		
Euro				
Bank overdrafts	Euribor + 1.5%/+ 2.75%	Euribor + 1.5%/+ 3.5%	-	-
Bank loans repayable by instalments	3.89%- Euribor + 2.75%	3.29%- Euribor + 3%	-	-
Finance lease obligations	2.75%	2.75%	-	-
Bills discounted	Euribor + 1.5%/+ 2.75%	Euribor + 1.5%/+ 3.5%	-	-
Money market line	1.75% - 3.5%	-		
Indian Rupee				
Bank overdrafts	11%	12%	-	-
Bills Discounted	10.00 % - 12.00 %	10.45 % - 13.00 %	-	-

(g) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Rupee	**5,794,069**	5,355,313	**1,096,998**	1,441,611
Euro	**3,927,057**	2,180,812	**-**	-
US dollars	**4,014,617**	3,345,382	**-**	-
UK Pound	**485,771**	386,094	**-**	-
INR	**52,940**	42,242	**-**	-
Ariary	**41,434**	79,503	**-**	-
Others	**4,030**	26,832	**-**	-
	14,319,918	11,416,178	**1,096,998**	1,441,611

(h) The carrying amounts of borrowings are not materially different from their fair values.

(i) The bills discounted and the import loans are secured by fixed and floating charges over the assets of the CIEL Textile Limited.

25. DEFERRED INCOME TAXES

Accounting policies

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15% (2015 - 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred taxes relates to the same fiscal authority.

The following amounts are shown in the statement of financial position:

	THE GROUP	
	2016	Restated 2015
	MUR'000	MUR'000
Deferred tax liabilities	**1,042,479**	1,238,868
Deferred tax assets	**(82,212)**	(138,433)
	960,267	1,100,435

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2016	Restated 2015
	MUR'000	MUR'000
At 1 July	**1,100,435**	681,777
Acquisition of subsidiaries	**-**	353,917
Translation difference	**5,018**	11,624
Adjustment to opening balance	**(12,157)**	-
Disposal	**-**	448
Credited to profit or loss (Note 29)	**(176,496)**	(32,546)
Charged to other comprehensive income	**43,467**	85,215
At 30 June	**960,267**	1,100,435

25. DEFERRED INCOME TAXES (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority, is as follows:

THE GROUP

	Accelerated Tax Depreciation	Revaluation of Properties	Total
	MUR'000	MUR'000	**MUR'000**
Deferred tax liabilities			
At 1 July 2014	410,155	358,585	**768,740**
Acquisition of subsidiaries	259,604	113,526	**373,130**
Translation difference	7,815	2,526	**10,341**
Credited to profit or loss	4,640	(5,001)	**(361)**
Charged to other comprehensive income	67	86,951	**87,018**
At 30 June 2015	682,281	556,587	**1,238,868**
Adjustment to opening balance	(12,157)	-	**(12,157)**
Translation difference	4,674	900	**5,574**
Credited to profit or loss	(61,623)	(54)	**(61,677)**
(Credited)/charged to other comprehensive income	-	59,916	**59,916**
At 30 June 2016	613,175	617,349	**1,230,524**

	Provisions/ Others	Retirement Benefit Obligation	Tax Losses Carried Forward	Share Appreciation Rights Scheme	Total
	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**
Deferred tax assets					
At 1 July 2014	28,613	49,657	5,869	2,824	**86,963**
Acquisition of subsidiaries	-	1,614	17,599	-	**19,213**
Reclassification	(2,306)	-	-	2,306	**-**
Translation difference	-	-	(1,283)	-	**(1,283)**
Disposal	(129)	(319)	-	-	**(448)**
Credited/(charged) to profit or loss	27,012	10,367	(3,888)	(1,306)	**32,185**
Credited to other comprehensive income	(3,763)	4,574	992	-	**1,803**
At 30 June 2015	49,427	65,893	19,289	3,824	**138,433**
Reclassification	-	-	-	-	**-**
Translation difference	(127)	-	683	-	**556**
Credited/(charged) to profit or loss	(17,973)	3,226	130,774	(1,208)	**114,819**
Credited to other comprehensive income	8,279	8,170	-	-	**16,449**
At 30 June 2016	39,606	77,289	150,746	2,616	**270,257**

No deferred tax asset has been recognised in respect of MUR 38.7M (2015: MUR7.2M) of tax losses due to unpredictability of future profit streams.

26. RETIREMENT BENEFIT OBLIGATIONS

Accounting policies

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, year of service and compensation.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefits payments. Net Interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

CIEL Textile Limited, CIEL Corporate Services Ltd, The Medical & Surgical Centre Ltd and Sun Limited, subsidiary companies of CIEL Ltd, contribute to a defined benefit plan for certain employees.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 (Amended) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP 2016	THE GROUP 2015
	MUR'000	MUR'000
Amounts recognised in the statement of financial position:		
Defined pension benefits (note (a)(ii))	**150,996**	115,908
Other post retirement benefits (note (b))	**418,778**	364,926
	569,774	480,834
Analysed as follows:		
Non-current liabilities	**569,774**	480,834
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	**56,422**	59,652
- Other post retirement benefits (note (b)(iii))	**52,297**	66,567
	108,719	126,219
Amounts charged to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	**38,291**	(19,368)
- Other post retirement benefits (note (b)(iv))	**21,330**	51,507
	59,621	32,139

(a) **Defined pension benefits**

(i) Some companies of the Group operate defined benefit pension plans. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Group companies participate in the United Mutual Superannuation Fund, CIEL Group Segregated Fund and Sugar Industry Pension Fund and other pension schemes present in respective companies.

The assets of the plan are independently administered separately. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

	THE GROUP 2016	THE GROUP 2015
	MUR'000	MUR'000
(ii) The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	**753,500**	748,366
Present value of funded obligations	**(851,222)**	(819,127)
Deficit of funded plans	**(97,722)**	(70,761)
Present value of unfunded obligations	**(53,274)**	(45,147)
Liability in the statement of financial position	**(150,996)**	(115,908)

The net defined benefit liability is arrived at as follows:

	THE GROUP 2016	THE GROUP 2015
	MUR'000	MUR'000
Balance at 1 July	**115,908**	109,161
Acquisition of subsidiary	**-**	29,934
Disposal of subsidiary	**-**	(4,318)
Charged to profit or loss	**56,422**	59,652
Charged to other comprehensive income	**38,291**	(19,368)
Contributions paid	**(59,625)**	(59,153)
Balance at 30 June	**150,996**	115,908

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(iii)	The movement in the defined benefit obligation is as follows:		
	Balance at 1 July	**864,274**	751,370
	Acquisition of subsidiary	**-**	37,748
	Disposal of subsidiary	**-**	(18,225)
	Current service cost	**35,812**	50,032
	Interest expense	**58,836**	72,682
	Past service cost	**10,721**	-
	Employees contributions	**5,669**	7,273
	Actuarial (losses)/gains	**(31,482)**	22,039
	Benefits paid	**(39,332)**	(58,645)
	Balance at 30 June	**904,498**	864,274

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(iv)	The movement in the fair value of plan assets of the year is as follows:		
	Balance at 1 July	**748,366**	642,209
	Acquisition of subsidiary	**-**	7,814
	Disposal of subsidiary	**-**	(13,907)
	Expected return on plan assets	**47,672**	59,793
	Implied return on plan assets	**-**	2,060
	Return on plan assets, excluding amounts included in interest expense	**(51,138)**	38,336
	Actuarial (losses)/gains	**(14,641)**	7,000
	Scheme expenses	**(1,231)**	(1,024)
	Cost of insuring risk benefits	**(1,490)**	(1,695)
	Employer contributions	**57,265**	56,263
	Employee contributions	**5,669**	7,273
	Benefits paid	**(36,972)**	(55,756)
	Balance at 30 June	**753,500**	748,366

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(v)	The amounts recognised in profit or loss are as follows:		
	Current service cost	**35,812**	50,032
	Scheme expenses	**1,231**	1,024
	Cost of insuring risk benefits	**1,489**	1,695
	Expected return on plan assets	**(3,995)**	(3,929)
	Past service cost	**10,721**	-
	Interest expense	**11,164**	10,830
	Total, included in employee benefit expense	**56,422**	59,652

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(vi)	The amounts recognised in other comprehensive income are as follows:		
	Remeasurement on the net defined benefit liability:		
	Losses on pension scheme assets	**14,641**	(7,000)
	Liability experience losses	**(31,483)**	(22,340)
	Changes in assumptions	**-**	44,379
	Actuarial losses	**(16,842)**	15,039
	Return on plan assets excluding interest income	**55,133**	(34,407)
		38,291	(19,368)

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(vii)	The fair value of the plan assets at the end of the reporting period were:		
	Cash and cash equivalents	**30,447**	68,197
	Local equities	**119,096**	106,882
	Overseas equities	**349,788**	363,484
	Debt instruments	**254,169**	209,803
	Total Market value of assets	**753,500**	748,366

The fair value of the above equity and debt instruments are determined based on quoted market prices in active markets. The fair value of properties are not based on quoted market prices in active markets.

The breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long term strategy of each fund.

In terms of the individual expected returns , the expected return on equities has been based on an equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government bonds at the measurement date. The fixed interest portfolio includes local and foreign deposits.

The expected return for this asset class has been based on these fixed deposits at the measurement date.

(viii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2016	2015
	%	%
Discount rate	**6.2-7**	6.5-7
Expected return on plan assets	**6.5-7**	7-7.5
Future salary increases	**4.5-5.5**	4.5-5.5
Future pension growth rate	**nil-1**	nil-1

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ix) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Increase	Decrease
	MUR'000	MUR'000
Discount rate (1% increase)	-	119,499
Future long term salary assumption (1% increase)	29,749	-

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the group to actuarial risks, such as longevity risk, salary risk, interest rate risk and market (investment) risk.

Longevity risk

The obligation for the members is calculated based on the best estimate of plan participants' mortality after retirement. Sensitivity has also been performed in respect of the mortality assumption. An increase in the life expectancy of the plan participants will increase the liability.

Salary risk

The present value of the liability is calculated based on the future salary increase of the non-members and members of the plan. Sensitivity analysis of salary increase assumption has been performed to assess its impact on the liability. An increase in salary increase assumption leads to an increase the present value of the obligations

Interest rate risk

The present value of the obligation is calculated using a discount rate based on the yields of long term government bonds. An increase or decrease in the discount rate can have a significant impact on the liabilities.

Market (investment) risk

Market risk is the risk that the value of an investment will decrease due to moves in market factors. The fair value of the plan assets depends on all the components of the investment value. Hence, an increase or decrease in the components of investment value may have a significant impact on the fair value of the plan assets.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(xii) The Group expects to pay MUR 40M in contributions to its post-employment benefit plans for the year ending 30 June 2017.

(xiii) The weighted average duration of the defined benefit obligations ranges between 7 and 23 years at the end of the reporting period.

(b) **Other post retirement benefits**

Other post retirement benefits comprise pensions to be paid on retirement or on death before retirement as per the Sugar Industry Remuneration Order and gratuity on retirement under the Employment Rights Act 2008.

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(i)	The amounts recognised in the statement of financial position are as follows:		
	Defined benefit liability	**418,778**	364,926
(ii)	Movement in the liability recognised in the statement of financial position:		
	Balance at 1 July	**364,926**	248,712
	Total expense	**52,297**	66,567
	Acquisition of subsidiary	**-**	10,757
	Actuarial losses recognised in other comprehensive income	**21,330**	51,507
	Benefits paid	**(19,775)**	(12,617)
	Balance at 30 June	**418,778**	364,926

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(iii)	The amounts recognised in the profit or loss are as follows:		
	Current service cost	**26,048**	30,075
	Past service cost	**741**	4,290
	Interest cost	**25,508**	32,202
	At 30 June	**52,297**	66,567

		THE GROUP	
		2016	2015
		MUR'000	MUR'000
(iv)	Amounts for the current year are as follows:		
	Present value of defined benefit obligation	**418,777**	364,926
	Actuarial losses	**21,330**	51,507

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(v) The principal actuarial assumptions used for accounting purposes were:

	2016	2015
	%	**%**
Discount rate	**6.5-8**	6.5-8
Future salary increases	**4.5-5**	4.5-5

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	Increase	Decrease
	MUR'000	**MUR'000**
Discount rate (1% increase)	-	35,300
Future long term salary assumption (1% increase)	12,417	-

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vii) The weighted average duration of the defined benefit obligations ranges between 7 and 16 years at the end of the reporting period.

27. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Accounting policies

Provisions are recognised when : the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reasonably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Legal claims, severance allowances and penalties	**20,469**	16,406

28. TRADE AND OTHER PAYABLES

Accounting policies

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Trade payable	**1,186,133**	1,166,708	**-**	-
Client advances	**216,253**	181,002	**-**	-
Payable to subsidiary companies	**-**	-	**48,179**	61,297
Payable to related companies	**54,963**	786,755	**-**	-
Other payables and accruals	**2,636,652**	2,898,542	**26,710**	40,853
Current accounts with other banks	**16,039**	12,845	**-**	-
Other payables to banks	**4,134**	41,317	**-**	-
Derivative financial instruments	**59,506**	41,253	**-**	-
Employee related expenses	**21,332**	1,264	**-**	-
	4,195,012	5,129,686	**74,889**	102,150
Broken down as follows:				
Banking segment	**564,512**	631,791		
Non-banking segment	**3,630,500**	4,497,895		
	4,195,012	5,129,686		

The carrying amount of trade and other payables approximate their fair value.

Payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
USD	**685,939**	783,535	**35,555**	35,555
EURO	**229,960**	909,093	**-**	-
MUR	**2,039,068**	2,375,611	**39,334**	66,595
GBP	**77,200**	101,882	**-**	-
INR	**416,557**	245,831	**-**	-
ARIARY	**298,784**	278,434	**-**	-
OTHERS	**447,504**	435,300	**-**	-
	4,195,012	5,129,686	**74,889**	102,150

29. INCOME TAX

Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

29. INCOME TAX (CONT'D)

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		MUR'000	MUR'000	**MUR'000**	MUR'000
(a)	CHARGE				
	Current tax on the adjusted profit for the year	**326,599**	298,261	**1,075**	1,040
	Under/(Over) provision in previous years	**3,178**	(10,561)	**-**	-
	Deferred tax (note 25)	**(176,496)**	(32,546)	**-**	-
	Charge for the year	**153,281**	255,154	**1,075**	1,040
(b)	LIABILITY				
	At 1 July	**117,183**	108,262	**410**	643
	Opening balance adjustment	**(15,376)**	-	**-**	-
	Acquisition of subsidiary	**-**	15,407	**-**	-
	Effect of amalgamation	**-**	514	**-**	-
	Over provision in previous years	**3,178**	(10,561)	**-**	-
	Charge for the year	**326,599**	298,261	**1,075**	1,040
	Paid during the year	**(197,045)**	(181,294)	**(1,275)**	(1,273)
	Advance payment for current year	**(85,078)**	(71,775)	**-**	-
	Exchange difference	**-**	(4,243)	**-**	-
	Tax deducted at source	**(32,120)**	(37,388)	**-**	-
	At 30 June	**117,341**	117,183	**210**	410

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Profit before taxation	**1,335,215**	2,435,221	**314,802**	323,557
Tax calculated at a rate of 15% (2015: 15%)	**200,282**	365,283	**47,220**	48,534
Tax effect of :-				
Income not subject to tax	**(130,383)**	(282,377)	**(69,709)**	(108,038)
Expenses not deductible for tax purposes	**72,724**	108,845	**23,564**	60,544
Tax on turnover of overseas subsidiaries	**2,465**	2,364	**-**	-
Effect of different tax rate	**14,341**	25,510	**-**	-
Over provision in previous years	**5,225**	6,379	**-**	-
Foreign tax credit	**(26,082)**	(30,647)	**-**	-
Investment tax relief	**(4,963)**	(1,890)	**-**	-
Other adjustments	**19,672**	61,687	**-**	-
Tax charge	**153,281**	255,154	**1,075**	1,040

30. DIVIDENDS PER SHARE

Accounting policies

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

	THE GROUP & THE COMPANY	
	2016	2015
	MUR'000	MUR'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend payable in respect for year ended 2016 of 11 cents per share (2015: 11 cents per share)	**167,768**	167,499
Interim dividend paid for the year ended 2016 of 7 cents per share (2015: 5 cents per share)	**106,612**	76,112
	274,380	243,611

31. DEPOSITS FROM CUSTOMERS

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Banking Segment	**10,152,070**	8,412,854
Demand deposits	**2,072,102**	1,846,587
Savings deposits		
Time deposits with remaining terms to maturity:	**1,036,543**	1,236,150
Within 1 year	**6,323**	6,167
Over one year and up to five years	**13,267,038**	11,501,758

32. REVENUE

Accounting policies

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

Sale of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

32. REVENUE (CONT'D)

Rendering of services

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

Other revenue includes:

• Dividend income - when the shareholder's right to receive payment is established;

• Sale of Invest Hotel Scheme rooms - Revenue on sale of rooms is recognised when there is a legal transfer of ownership and customer acceptance.

• Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income.

Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant;

• Management fees - as it accrues;

• Rental income - as it accrues;

• Information and communication technology income - as it accrues;

• Income from foreign exchange dealings - on a settlement basis;

• Fees and commission - on an accrual basis.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue from:				
- Textile	**10,482,208**	10,119,098	**-**	-
- Hotel	**4,989,237**	4,205,829	**-**	-
- Healthcare	**1,189,014**	288,054	**-**	-
Net interest income from banking	**1,457,808**	1,457,360	**-**	-
Dividend income				
Listed	**975**	1,907	**54,532**	55,311
DEM	**1,054**	1,054	**187,382**	144,384
Unquoted	**164**	1,839	**95,339**	176,169
Others:				
Management and service fees	**278,552**	272,091	**-**	-
Interest income	**44,723**	24,379	**6,837**	5,361
Rental income	**40,506**	22,036	**-**	-
Other income	**48,311**	61,294	**2,601**	646
	18,532,552	16,454,941	**346,691**	381,871

33. EARNINGS BEFORE INTERESTS, TAXATION, DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue	**18,532,552**	16,454,941	**346,691**	381,871
Profit on disposal of property, plant and equipment	**924**	7,444		
Profit on disposal of held for sale assets	**-**	-	**-**	-
Other operating income	**334,584**	186,252	**-**	-
Cost of sales - textile	**(5,276,732)**	(5,131,586)	**-**	-
Cost of sales - hotel	**(1,125,823)**	(527,301)	**-**	-
Cost of sales - healthcare	**(438,886)**	(103,830)	**-**	-
Employee benefit expenses (note 35)	**(5,094,616)**	(4,364,255)	**-**	-
Management fees and services	**(169,311)**	(110,894)	**(49,195)**	(56,724)
Professional, legal and consultancy fees	**(159,429)**	(74,664)	**(4,373)**	(44,505)
Rental and leases	**(454,886)**	(456,604)	**-**	-
Logistics and utilities	**(1,080,258)**	(1,005,659)	**-**	-
Office expenses	**(197,122)**	(199,638)	**-**	-
Transport expenses	**(121,888)**	(160,052)	**-**	-
Marketing expenses	**(398,937)**	(214,167)	**-**	-
Repairs and maintenance	**(420,507)**	(332,285)	**-**	-
Social and events	**(39,813)**	(69,065)	**-**	-
Provision for impairment	**(119,298)**	108,877		
Other expenses	**(1,034,937)**	(1,426,917)	**(36,668)**	(26,463)
	2,735,617	2,580,597	**256,455**	254,179

34. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Interest expense:				
Bank overdrafts	**52,357**	35,952	**793**	11,766
Loans repayable by instalments	**434,457**	302,971	**4,943**	8,277
Bills discounted	**17,116**	11,952	**-**	-
Import loans	**16,815**	13,828	**-**	-
Debentures	**6,993**	9,114	**-**	-
B shares dividend	**6,618**	5,090	**-**	-
Interest on bank guarantee	**1,155**	296	**-**	-
Loans at call	**1,653**	812	**6,563**	36,070
Finance leases	**12,120**	16,812	**-**	-
Fixed rate secured notes	**56,815**	1,244	**56,815**	1,244
Other loans	**24,329**	33,234	**435**	457
	630,428	431,305	**69,549**	57,814
Net foreign exchange transactions gain	**(75,318)**	(104,892)	**(2,781)**	(3,948)
	555,110	326,413	**66,768**	53,866

35. EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
	4,463,877	3,985,970
Wages and salaries	**184,388**	162,160
Social security costs	**81,678**	46,983
Pension costs - defined contribution plans	**56,422**	59,652
Pension costs - defined benefit plans	**2,297**	149
Severance	**52,297**	66,567
Other post-retirement benefits	**253,657**	42,774
Others	**5,094,616**	4,364,255

36. CLOSURE, MARKETING LAUNCH, RESTRUCTURING, BRANDING AND TRANSACTION COSTS

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
	333,832	82,125
Closure costs	**-**	65,791
Restructuring costs	**-**	105,080
Transaction costs	**79,312**	-
Marketing launch	**76,423**	-
Depreciation	**31,018**	-
Relocation and relaunching costs	**13,623**	12,253
Re-branding costs	**534,208**	265,249

37. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
			Restated		
		2016	2015	**2016**	2015
<u>Basic earnings per share</u>					
Profit attributable to owners of parent					
(MUR'000)		**477,150**	1,125,990	**313,727**	322,517
Weighted Number of ordinary shares		**1,523,353,773**	1,522,036,422	**1,523,353,773**	1,522,036,422
Earnings per share	**MUR**	**0.31**	0.74	**0.21**	0.21

		THE GROUP		THE COMPANY	
			Restated		
		2016	2015	**2016**	2015
<u>Earnings per share before non-recurring items</u>					
Profit attributable to owners of parent					
(MUR'000)		**702,843**	724,802	**188,612**	199,273
Weighted Number of ordinary shares		**1,523,353,773**	1,522,036,422	**1,523,353,773**	1,522,036,422
Earnings per share before non-recurring items	**MUR**	**0.46**	0.48	**0.12**	0.13

The impact of potential shares that could be issued under the Share Appreciation Rights Scheme on the earnings per share would not be material based on the company's share price as at 30 June 2016.

38. NOTES TO THE STATEMENTS OF CASH FLOWS

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
(a)	**Cash flow from operating activities**	**MUR'000**	MUR'000	**MUR'000**	MUR'000
	Reconciliation of profit before taxation to cash generated from operations:				
	Profit before taxation	**1,335,215**	2,435,221	**314,802**	323,557
	Amortisation of intangible assets	**32,203**	22,121	**-**	-
	Depreciation	**780,788**	618,720	**-**	-
	Rental income	**(40,506)**	(22,036)	**-**	-
	Interest expense	**630,428**	431,305	**69,549**	57,814
	Interest income	**(44,723)**	(24,379)	**(6,837)**	(5,361)
	Gain on remeasurement of equity interest	**-**	(700,622)	**-**	-
	Amortisation of leasehold land	**12,986**	9,132	**-**	-
	Impairment of goodwill	**29,917**	-	**-**	-
	Fair value gain on investment property	**(265,135)**	-	**-**	-
	Share of result of joint ventures	**(146,998)**	(93,697)	**-**	-
	Share of result of associated companies	**(56,254)**	(150,933)	**-**	-
	Share based scheme	**6,286**	9,041	**-**	-
	Intangible assets written off	**1,315**	1,685	**-**	-
	Property, plant & equipment written off	**53,132**	34,985	**-**	-
	Provision	**17,770**	(12,410)	**-**	-
	Impairment of investment in joint venture	**-**	17,545	**-**	175,374
	Profit on disposal of held for sale assets	**-**	(168,552)	**-**	-
	Profit on disposal of investment in subsidiary company	**-**	-	**(125,115)**	(121,755)
	Retirement benefit obligations	**29,319**	54,449	**-**	-
	Unrealised exchange difference	**39,263**	13,738	**-**	-
	Profit on disposal of investment	**-**	(2,353)	**(19)**	(625)
	Profit on disposal of investment in associates	**-**	-	**-**	(176,863)
	Profit on disposal of plant and equipment	**(924)**	(7,243)	**-**	-
		2,414,082	2,465,717	**252,380**	252,141
	Changes in working capital:				
	- trade and other receivables	**(483,302)**	63,437	**18,867**	67,893
	- loans and advances	**(1,115,865)**	(1,220,989)	**-**	-
	- investment securities	**530,341**	(514,613)	**-**	-
	- inventories	**(92,603)**	(55,200)	**-**	-
	- trade and other payables	**(842,121)**	(358,993)	**(27,262)**	(144,336)
	- deposits from customers	**1,668,812**	634,491	**-**	-
	Cash generated from operating activities	**2,079,344**	1,013,850	**243,985**	175,698

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Cash in hand and at bank	**996,029**	835,862	**1,852**	41,572
Foreign currency notes and coins	**137,176**	97,436	**-**	-
Balances with Central Bank	**956,403**	970,579	**-**	-
Balances due in clearing	**(3,949)**	34,384	**-**	-
Balances with bank	**2,357,248**	1,256,786	**-**	-
Placements	**1,140,444**	1,265,204	**-**	-
	5,583,351	4,460,251	**1,852**	41,572
Bank overdrafts	**(2,006,902)**	(1,427,933)	**(804)**	(10,455)
Restricted cash	**-**	(52,185)	**-**	-
Cash at call	**-**	(80,045)	**(96,144)**	(73,106)
Money market line	**(389,972)**	(350,000)	**-**	(350,000)
	3,186,477	2,550,088	**(95,096)**	(391,989)

Cash and cash equivalents include an amount of MUR 391M (2015: MUR 236M) which has been deposited with a financial institution as a guarantee for letter of credit.

Restricted cash represents cash secured in an escrow account for the purpose of purchasing property, plant and equipment.

39. BUSINESS COMBINATION

(a) Disposal of interest in a subsidiary without loss of control - 30 June 2016

Dilution in Ciel Healthcare Limited

During the year, MUR 860.4M of capital was injected in Ciel Healthcare Limited (CHL) by Ciel Ltd and other shareholders. Out of the MUR 860.4M injected, MUR 96.6M was contributed by Ciel Ltd and MUR 763.8M by non controlling interest of CFL. As a result, Ciel Ltd's stake in CHL fell from 100% to 68.38% in December 2015 and to 53.88% in March 2016.

The following summarises the effect of changes in the Group's ownership interest in CHL:

	MUR'000
Increase in retained earnings	**30,254**
Increase in non-controlling interest	**733,606**
	763,860

Dilution in Ciel Finance Limited

In August 2015, a non-controlling shareholder injected MUR 235.3M in Ciel Finance Limited (CFL) resulting in a decrease in the Group holding in CFL from 82.9% to 75.1%.

The following summarises the effect of changes in the Group's ownership interest in CHL:

	MUR'000
Decrease in retained earnings	**(66,573)**
Increase in non-controlling interest	**301,898**
	235,325

(b) Acquisition of subsidiaries - Group level - 30 June 2015

Additional investment in The Medical & Surgical Centre Ltd (MSCL)

The Group previously held 29.8% in MSCL as at 30 June 2014. An additional 15.13% was acquired on 17 October 2014 increasing the Group's stake in the associate to 44.93%. On 26 February 2015, an additional 13.67% was acquired for a consideration MUR 137.4M, thus obtaining control.

This transaction resulted in the recognition of a fair value on business combination as follows :

	MUR'000
Fair value on business combination	1,426,609
Less : carrying amount of investment on the date of change in control	(919,776)
Fair value gain on business combination	506,833

39. BUSINESS COMBINATION (CONT'D)

(b) **Acquisition of subsidiaries – Group level – 30 June 2015(cont'd)**

Investment in Anahita Hotel Limited

On 1 December 2014, the Group acquired 50% of the share capital of Anahita Hotel Limited, which owns the Four Seasons Resorts at Anahita, for MUR 926.4M. In May 2015, the Group acquired the remaining 50% of the share capital and obtained the control of Anahita Hotel Limited.

This transaction has resulted in the recognition of a fair value on business combination as follows:

	MUR'000
Fair value on business combination	1,516,471
Less : carrying amount of investment on the date of change in control	(911,971)
Fair value gain on business combination	604,500

The goodwill of MUR 223.7M arising from the acquisition is attributable to acquired customer base and economies of scale expected from combining the operations of the Group and Anahita Hotel Limited.

None of the goodwill recognised is expected to be deductible for income tax purposes.

Investment in International Medical Group Limited (IMG)

In June 2015, the Group acquired 90.1% of IMG Group, which operates in the healthcare sector, mainly in Uganda.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised at acquisition date for the above investments.

	The Medical & Surgical Centre Ltd	**Anahita Hotel Ltd**	**International Medical Group Ltd**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
Cash consideration	137,452	1,516,471	295,555	1,949,478
Consideration payable	-	-	347,300	347,300
Contingent consideration	-	-	102,974	102,974
Fair value of equity interest held before the business combination	448,113	1,516,471	-	1,964,584
Total consideration	585,565	3,032,942	745,829	4,364,336

39. BUSINESS COMBINATION (CONT'D)

(b) **Acquisition of subsidiaries – Group level – 30 June 2015 (cont'd)**

Recognised amounts of identifiable assets acquired and liabilities assumed

	The Medical & Surgical Centre Ltd	Anahita Hotel Ltd	International Medical Group Ltd	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Intangible assets	7,508	-	-	7,508
Property, plant & equipment	529,398	4,036,023	340,679	4,906,100
Investment in associate	-	112,648	-	112,648
Deferred tax asset	1,629	-	17,584	19,213
Leasehold rights and leasehold prepayments	-	215,000	16,700	231,700
Non current receivables	-	32,201	-	32,201
Inventories	31,425	15,954	9,673	57,052
Trade and other receivables	64,298	115,765	101,174	281,237
Cash and cash equivalent	87,293	44,948	(15,971)	116,270
Trade and other payables	(68,906)	(151,449)	(153,268)	(373,623)
Tax liability	(6,201)	-	(9,206)	(15,407)
Borrowings	(1,677)	(1,329,121)	(1,055)	(1,331,853)
Retirement benefit obligations	(29,934)	(10,757)	-	(40,691)
Deferred tax liabilities	(25,780)	(271,960)	(75,390)	(373,130)
Total identifiable net assets	589,053	2,809,252	230,920	3,629,225
Non controlling interest	(243,868)	-	(23,046)	(266,914)
Goodwill	240,380	223,690	537,955	1,002,025
	585,565	3,032,942	745,829	4,364,336
Fair value gain on business combination	96,122	604,500	-	700,622

The fair value gain on business combination has been recorded in the statement of profit or loss.

	The Medical & Surgical Centre Ltd	Anahita Hotel Ltd	International Medical Group Ltd	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Total consideration	585,565	3,032,942	745,829	4,364,336
Consideration not yet paid	-	-	(450,274)	(450,274)
Fair value on business combination	(448,113)	(604,500)	-	(1,052,613)
Reserves accounted in associate	-	14,430	-	14,430
	137,452	2,442,872	295,555	2,875,879
Cash & cash equivalents acquired	(87,293)	(44,948)	15,971	(116,270)
	50,159	2,397,924	311,526	2,759,609
Additional consideration paid	151,791	(89,862)	-	61,929
	201,950	2,308,062	311,526	2,821,538

The goodwill is attributable to the expected future profitability of the acquired businesses.

39. BUSINESS COMBINATION (CONT'D)

(c) **Acquisition of subsidiary companies – Company level**

	2016	2015
	MUR'000	MUR'000
Consideration paid for increased interest/acquisition of subsidiaries	**105,596**	1,096,605
Consideration paid for increased interest previously held in associate	-	288,843
	105,596	1,385,448

(d) **Acquisition of additional interest in a subsidiary – 30 June 2015**

In October 2014, the Group, through its 60% subsidiary, IOFHL, acquired an additional 2.0% in BNI Madagascar for a consideration of MUR 37.2M, increasing IOFHL ownership from 51% to 53%. The carrying amount of BNI's owners' interest on the date of additional investment was MUR 1.7bn. The Group recognised a decrease in non-controlling interest of MUR 33.7M and a decrease in retained earnings of MUR 3.5M.

In March 2015, the Group increased its stake in Sun Limited by 6.44% following a rights issue. The carrying amount of Sun Limited owner's interest was MUR 7.2bn on date of acquisition. The Group recognised a net increase in non-controlling interest of MUR 59.8M and an increase in retained earnings of MUR 208.7M.

40. CONTINGENCIES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Bank guarantees in respect of expatriates	**14,500**	53,000	**-**	-
Bank guarantees in respect of bank loans	**62,925**	64,300	**-**	-
Vat assessment	**4,392**	5,539	**-**	-
	81,817	122,839	**-**	-

CIEL Finance Limited has a floating charge of Euro 4M in favour of a bank to counter-guarantee BNI Madagascar in respect of credit concentration limits imposed by the Malagasy regulator. This limit was temporarily increased to Euro 6M until end of September 2016. Subsequently, the limit will fall back to Euro 4M.

At 30 June 2016, Sun Limited provided a corporate guarantee of USD 10M for one of its subsidiaries in respect of a temporary overdraft facility taken by the subsidiary for the year under review. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantee is remote.

Sun Limited has provided corporate financial guarantee for an amount of MUR 62M (30 June 2015: MUR 62M) in respect of bank loans to one of its subsidiaries. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantee is remote.

At 30 June 2016, CIEL Textile Limited Group had bank guarantees amounting to MUR 14.5M (2015:MUR 53M) to third parties in respect of expatriates.

During the year ended 30 June 2015, Tropic Madagascar SA was subject to an assessment from the local tax authorities in Madagascar. The matter had been referred for Appeal as the company believes that claims made by local authorities are unreasonable.

At 30 June 2016, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

41. COMMITMENTS

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		MUR'000	MUR'000	**MUR'000**	MUR'000
(a)	**Capital Commitments**				
	Authorised by the directors and contracted for	**988,000**	629,206	**-**	-
	Authorised by the directors but not contracted for	**1,083,829**	2,215,248	**-**	117,000
		2,071,829	2,844,454	**-**	117,000

The Group capital commitments include funds earmarked for hotel refurbishment and future investment.

(b) **Operating lease commitments**

The Group leases land and motor vehicles under non-cancellable operating lease arrangements.

The future minimum lease payments are as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Not later than 1 year	**366,370**	325,057
Later than 1 year and not later than 5 years	**1,489,343**	1,331,188
After 5 years	**20,273,916**	20,190,371
	22,129,629	21,846,616

<u>Hotel segment</u>

The above operating lease arrangements include state leasehold land rentals for periods up to which the rental amounts have been agreed. The state leasehold land rentals terms go up to a maximum of 60 years and do not contain any option to buy at the end of the lease term. Sun Limited opted to enter into the new 60 years state lease agreement offered by the Government of Mauritius in respect of three properties.

The operating lease for the corporate office has an initial lease term of 5 years with an option to buy at the end of the lease term. The Group has exercised its option in 2012 to renew the lease for a further period of four years.

Sun Limited has entered into a lease agreement under which the Company is leasing the Ambre Resort & Spa, a 297-room hotel, and sub-lease the land on which the Hotel stands for an initial period of five years, effective from 1 October 2012. On 7 July 2015, the term of the lease agreement was renewed for another five years as from 1 October 2017 to 30 September 2022.

<u>Rental of office</u>

One of the subsidiaries leases offices under non-cancellable operating lease. The lease has varying terms, purchase options, escalation clauses and renewable rights. Renewals are at the specific entity that holds the lease.

The future minimum lease receivable are as follows:

	THE GROUP	
	2016	2015
	MUR'000	MUR'000
Not later than 1 year	**14,367**	25,465
Later than 1 year and not later than 5 years	**30,285**	24,673
After 5 years	**-**	10,000
	44,652	60,138

(c) **Guarantees and other obligations on account customers and commitment - Banking Segment**

The guarantees and other obligations on account of customers and commitments for the banking segment amounted to MUR 1.8bn as at 30 June 2016 (2015: MUR 1.4bn).

42. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policies

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised liabilities (fair value hedge);

- hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or

- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The Group applies only fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in profit or loss within finance costs.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

42. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Gains or losses accumulated in equity are included in profit or loss when the foreign operation is partially disposed of or sold.

Derivatives at fair value through profit or loss

Certain derivative financial instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

Some of the group companies utilise foreign currency derivatives in the management of their exchange rate exposures.

The fair values of the derivative financial instruments are detailed below:

At 30 June 2016	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
Assets			
Derivatives used for hedging	**57,414**	**-**	**57,414**
Liabilities			
Derivatives used for hedging	**51,980**	**7,526**	**59,506**
Total	**5,434**	**(7,526)**	**(2,092)**

At 30 June 2015	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
Assets			
Derivatives used for hedging	21,588	-	21,588
Liabilities			
Derivatives used for hedging	25,030	19,493	44,523
Total	(3,442)	(19,493)	(22,935)

Derivatives include forward exchange contracts and interest rate swaps with a notional amount of MUR 2.1Bn.

43. CASH FLOW HEDGE

Textile Cluster

The Textile Group is involved in the production and selling of textile apparel, most of which is done through exports to foreign countries. The Textile Group is made up of Knitwear Cluster; Fine Knits Cluster and Woven Cluster and is exposed to foreign exchange risk on the sale of textile products denominated in foreign currency.

The Textile Group exports almost all of its production in foreign currencies (South African Rand 'ZAR', United States Dollars 'USD', Great Britain Pound 'GBP' and Euro 'EUR').

The Textile Group is mainly faced to the following foreign exchange exposures:

Pre-transaction foreign currency risk

This arises before the transaction ('sales') becomes contractual while a quote is given to the client in foreign currency. Even though the transaction is not confirmed, movement in exchange rate to the disfavour of the Textile Group signifies a potential risk. If a customer later accepts the quote received, there is a risk that the foreign currency price then converted to MUR will not bring the desired margin.

Transaction foreign currency risk

Transactional foreign currency risk arises as soon as a there is a contractual obligation between the Textile Group and the foreign customers. If nothing is done, there is a certain risk that the foreign exchange rate may weaken and if it so happens, the Textile Group may only lose the intended margin on the transaction and may even incur losses if the exchange rate variations are drastically in disfavour of the Textile Group.

The Textile Group adopted the following strategy:

The Treasury Committee/Chief Executive of the Textile Group are responsible for the decision making, with the intention to take cover, through forward exchange contracts with a view to cover for sale transactions that are judged as being highly probable. The intention is to cover for transactional exposures as they are unveiled.

Prerogative is given to the Treasury Committee/Chief Executive of the Textile Group to decide if they would keep part of this position uncovered with the view of benefiting from potential currency appreciation against the MUR.

The Textile Group enters into forward covers to manage its foreign exchange risk on foreign denominated sales.

Forward exchange covers are taken for orders received and which are highly probable and this is designated as a cash flow hedge. Forward covers are used as a mechanism to fix the amount of foreign currency denominated sales which are used to modify cashflow between financial instrument and sales receipts upon realisation.

Financial instruments taken to hedge the Textile Group's sales are fair valued and recognised in the statement of financial position as financial assets /liabilities. For those sales on which a forward has been taken and which has materialised, the resulting fair value gain/loss on re-measurement is accounted for in profit or loss while for those transactions for which the underlying sale has not yet materialised, the fair value gain/loss is recorded in other comprehensive income. The latter is then recycled to profit or loss as soon as the sale materialise and the goods are shipped.

43. CASH FLOW HEDGE (CONT'D)

Textile Cluster (cont'd)

The Textile Group enters into forward contracts (hedge instrument) to buy or to sell foreign currencies at a specified future time at a price agreed upon the contract date. The price is locked until delivery of sales order which normally will not exceed 9 months.

Hedge instruments, in this case forward exchange contracts, are expected to be highly effective to mitigate the foreign currency risk exposure on sales (hedge item). By selling forward, the Textile Group expects to mitigate long term currency exchange risk and will revalue in the opposite direction to the underlying transaction.

The objective of the Textile Group is to cover identified exposures (i.e. confirmed orders or highly probable sales orders) to the minimum of 75% and a maximum of 125%. However, this bench mark is determined on a case to case basis by the CEO and treasury committees of the respective business clusters while taking into consideration the specific transaction requirements.

For all sales not yet shipped and for which a forward exchange contract cover has been taken, the Textile Group performs a revaluation of outstanding forward contracts relating to cash flow hedges which is then recorded in the statement of other comprehensive income.

Revaluation of outstanding forex contracts relating to transaction for which an asset has already crystallised in the statement of financial position (sales already shipped and debtors raised) will be recorded in profit or loss.

Subsequently, the cash flow hedge recognised in other comprehensive income will be reversed profit or loss in the following year, as an underlying asset would already have crystallised upon the orders being shipped (Sales not shipped last year would have been shipped this year).

Hedge instruments in the form of forward foreign exchange contracts are expected to be highly effective as the unshipped sales, which represent the hedged item, have a direct economic relationship to the forward foreign exchange contract entered into to mitigate the foreign exchange exposure on the Textile Group's unshipped and confirmed sales orders at year end.

Although effectiveness is certain to be 100 % as long as plain vanilla forward contracts are used, a 10 % error margin in the hedge effectiveness is considered as acceptable. To determine effectiveness of the hedge, the list of hedge instruments (Forward contracts) are matched with list of sales not yet shipped / highly probable sales (hedge items).

43. CASH FLOW HEDGE (CONT'D)

Textile Cluster (cont'd)

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

Outstanding contracts	2016	2015	2016		2015		Contract value		Fair value		Fair value	
	Average exchange rate		**Sell**	**Buy**	Sell	Buy	**2016**	2015	**2015**	2014	**2016**	2015
			FC'000	**FC'000**	FC'000	FC'000	**MUR '000**	MUR '000	**MUR '000**	MUR '000	**MUR '000**	MUR '000
Sell currency EUR and buy currency USD	**1.12**	1.18	**3,625**	**4,075**	5,395	6,340	**143,370**	220,181	**230,831**	121,549	**1,652**	10,650
Sell currency EUR and buy currency MUR	**-**	39.43			1,700	67,026	**-**	67,026	**67,338**	259,821	**-**	312
Sell currency MUR and buy currency EUR	**39.68**		**55,151**	**1,390**			**55,151**				**(798)**	
Sell currency GBP and buy currency EUR	**-**	-	**-**	**-**	-	-	**-**	-	**-**	34,423		-
Sell currency GBP and buy currency USD	**1.51**	1.56	**7,799**	**11,810**	11,428	17,781	**415,489**	617,537	**612,039**	1,145,674	**48,254**	(5,498)
Sell currency GBP and buy currency MUR	**52.24**	52.65	**1,787**	**93,355**	7,390	389,089	**93,355**	389,089	**372,843**	527,248	**8,991**	(16,246)
Sell currency ZAR and buy currency EUR	**-**	13.68			23,215	1,697	**-**	65,945	**66,921**	880	**-**	976
Sell currency ZAR and buy currency USD	**16.20**	11.84	**278,081**	**17,166**	153,010	12,928	**603,908**	448,984	**464,524**	434,903	**(40,703)**	15,540
Sell currency ZAR and buy currency MUR	**2.26**	2.81	**226,562**	**510,992**	128,929	23,243	**510,992**	23,243	**29,730**	161,980	**(13,600)**	6,487
Sell currency USD and buy currency MUR	**37.06**	34.10	**1,539**	**57,023**	6,355	216,731	**57,023**	216,731	**210,885**	11,724	**2,830**	(5,846)
Sell currency USD and buy currency INR	**69.16**	65.56	**4,300**	**297,403**	1,100	72,113	**153,876**	38,111	**37,744**	46,934	**(737)**	(367)
Sell currency GBP and buy currency INR	**-**	101.72	**-**	**-**	3,050	310,234	**-**	158,211	**150,881**	28,128	**-**	(7,330)
Sell currency EUR and buy currency INR	**77.81**	72.87	**1,750**	**136,173**	3,600	262,347	**70,456**	137,868	**135,748**	54,581	**(455)**	(2,120)
Total							**2,103,620**	2,382,926	**2,379,484**	2,827,845	**5,434**	(3,442)

Recognised as follows:	2016	2015
On statement of financial position	**MUR '000**	MUR '000
Fair value asset on forward contracts	**61,727**	21,588
Fair value liability on forward contracts	**(56,293)**	(25,030)
	5,434	(3,442)
In income statement		
Fair value movement on outstanding financial derivatives	**(3,113)**	(53,243)
In statement of other comprehensive income		
Amount recognised in cash flow hedge reserve	**8,547**	49,801
	5,434	(3,442)

At June 30, 2016, if rupee had weakened/strengthened by 5% against Euro/UK Pound/US Dollar with all other variables held constant, pre-tax profit for the year would have been MUR.50,493,000 (2015: MUR.46,758,000) higher/lower as a result of foreign exchange gains/losses on translation of Euro/UK Pound/US Dollar denominated trade receivables, trade payables and borrowings and is as follows:

	2016	2015
	MUR '000	MUR '000
Euro	**(103)**	2,896
UK Pound	**(83)**	4,520
US Dollar	**(50,860)**	(55,859)
	(51,046)	(48,443)

43. CASH FLOW HEDGE (CONTINUED)

Hotel Cluster

Interest rate swaps contract

The Hotel Group is exposed to variability in future interest cash flows as follows:

(i) The Hotel Group entered into a dollar denominated debts in order to finance the Kanuhura investments.

In 2011, the Hotel Group entered into interest rate swap contracts as cash flow hedges of these interest rate risks.

The interest rate swaps are settled on a quarterly basis. The floating rate on the loan value of the Hotel Group and SRL Kanuhura is US Libor plus a % margin.

(ii) One of the subsidiaries of the Hotel Group, Anahita Hotel Limited, entered into an Euro denominated debt.

In 2011, Anahita Hotel Limited entered into interest rate swap contracts as cash flow hedges of these interest rate risks. The interest rate swaps are settled on a half yearly basis. The floating rate on the loan is the 6 months EURIBOR.

(iii) Under these interest rate swap contracts, the Hotel Group agrees to exchange from a floating rate of interest to a fixed rate of interest on amounts calculated on agreed notional principal amounts. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Hotel Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously. The Hotel Group will settle the difference between the floating and the fixed interest rate on a net basis.

Cash flow hedges

The notional principal value of the loan amounts for the Company and SRL Kanuhura Limited amounts to Nil (30 June 2015: USD 3.1M).

The notional principal value of the loan amounts for the Anahita Hotel Limited amounts to EURO 5.3M at 30 June 2016 (30 June 2015: EURO 6.2M).

The carrying amount of these interest rate swaps at year end for the Hotel Group are as follows:

	2016	2015
Carrying amount (MUR'000)	**7,526**	19,493
Carrying amount (USD'000)	**-**	61
Carrying amount (EUR'000)	**190**	447

During the year, the Hotel Group recognised an amount of MUR 7.1M (30 June 2015: MUR 19.4M) in the profit and loss in respect of the cashflow hedge.

Below is a schedule indicating as at 30 June 2016 the periods when the hedge cash flows are expected to occur and when they are expected to affect the profit or loss:

Within	1 year	1 to 3 year	**Total**
	MUR'000	MUR'000	**MUR'000**
Cash inflows (undiscounted)	913	607	**1,520**
Cash outflows (undiscounted)	(6,351)	(4,220)	**(10,571)**
Net cash outflows	(5,438)	(3,613)	**(9,051)**

43. CASH FLOW HEDGE (CONTINUED)

Hotel Cluster

The hedge of the variability of cash flows due to exchange rate fluctuations

The hedge of the variability of cash flows due to exchange rate fluctuations is considered to be a cash flow hedge. The Company bills and receives some of its revenues in Euros and GBP. This exposes the Company to variability in cash flow and profits due to fluctuations in the Euro/MUR and GBP/MUR exchange rate.

The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group's hotels. The hedging strategy is to enter into loan agreements in Euros and GBP with future principal payments that will be matched by the future remittances from customers in Euros and GBP.

The final repayment of the bank borrowings identified as the hedge instrument range from 31 December 2025 to 31 December 2029 and this represents the period when the hedge cash flows are expected to occur and are expected to affect profit or loss.

Foreign exchange loss of MUR 11.7M (2015: MUR 47.0M) on translation of the borrowings was recognised in other comprehensive income during the year.

The fair value of the denominated bank loans as at 30 June 2016 is MUR 3,209M (2015: MUR 797.8M).

These financial assets are classified under Level 3 of the Fair Value Hierarchy.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) **THE GROUP**

		Dividend Income	Management Fees and other expenses	Rental and Other Income	Management Fees Receivable	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Associated companies	**2016**	**-**	**-**	**31,434**	**4,209**	**30,625**	**54,963**
	2015	-	-	30,911	7,019	30,714	786,755
Enterprises that have a number of common directors	**2016**	**980**	**-**	**717**	**-**	**-**	**-**
	2015	1,716	-	767	-	-	-
Joint Ventures in which the company is a venturer	**2016**	**-**	**-**	**-**	**-**	**7,812**	**-**
	2015	-	-	-	-	148	-

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) **THE COMPANY**

		Dividend Income	Management Fees and Other Expenses	Interest, Rental and Other Income	Financial Charges	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary companies	**2016**	**281,668**	**49,976**	**5,476**	**7,437**	**199,830**	**144,324**
	2015	317,661	58,147	4,822	34,015	214,894	334,847
Associated companies	**2016**	**53,404**	**-**	**-**	**-**	**32,514**	**-**
	2015	53,404	-	-	-	32,514	-
Joint Ventures in which the company is a venturer	**2016**	**-**	**-**	**-**	**-**	**24,055**	**-**
	2015	-	-	-	-	148	-
Enterprises that have a number of common directors	**2016**	**980**	**-**	**-**	**-**	**-**	**-**
	2015	1,718	-	-	-	-	-

(c) The above transactions have been made in the normal course of business. Amounts owed to/by related parties are unsecured. There has been no guarantees provided or received for any related party receivables/payables. The company has not recorded any impairment of receivables during the year. This assessment is undertaken each year through examining the financial position of the related party.

Management fees and other expenses relate to services provided for Strategic, Corporate Governance, Company Secretary & Registry, Legal Support, Communication and Corporate Finance.

(d) Key management personnel salaries and compensation

	THE GROUP 2016	2015
	MUR'000	MUR'000
Salaries and short-term employee benefits	**307,188**	322,471
Post-employment benefits	**10,945**	16,844
Termination benefit	**4,550**	-
Share based payments	**6,618**	5,090
	329,301	344,405

45. FINANCIAL RISK MANAGEMENT

(a) **Financial risk factors**

The Group's objective is to provide long term capital growth and regular appreciation in dividend income distribution to investors. This objective is being fulfilled through investing in a diversified portfolio of equity and equity related investments.

Non banking specific segment

The Group's activities expose it to a variety of financial risks including the effects of changes in equity market prices, foreign currency exchange rates, credit risk and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group seeks to minimise these risks by investing in various sectors to avoid risk concentration in a particular industry. There is an investment committee which operates under guidelines and policies, embodied in an investment manual approved by the Board of Directors and which actively participates in the monitoring of the financial and operational performance of the various companies in which it has invested.

Banking specific segment

The Bank's activities expose it to financial risks such as market risk (including currency and interest rate risk), credit risk and liquidity risk.

(i) Credit risk

Non banking specific segment

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The Group does not hold any collateral security for receivables relating to the non banking segment.

Banking specific segment

Credit risk arises when counterparties are not able to fulfil their contractual obligations. The Risk and Permanent Control Department ensures that limits defined by the risk strategy are applied. It is directly involved in the validation of any demand for credit. Collateral held by the bank includes fixed and floating charges on assets.

The Credit quality of the loan portfolio is as follows:

	Jun-16	Jun-15
	MUR'000	**MUR'000**
Neither past due nor impaired	**8,378,972**	7,196,820
Past due but not impaired	**22**	-
Impaired	**1,449,809**	1,531,997
Gross	**9,828,803**	8,728,817
Less: allowance for credit impairment	**(1,314,141)**	(1,312,254)
Net	**8,514,662**	7,416,563
Fair value of collaterals of impaired loans	**865,342**	932,320
The maximum exposure to credit risk before collateral for the banking segment is as follows :		
Cash and cash equivalents	**4,516,563**	3,309,936
Loans and advances	**8,514,663**	7,416,562
Investment in securities	**1,298,545**	1,844,931
Other assets	**539,431**	645,276

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position as available-for-sale.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the group.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments in other financial assets on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%, with other factors remaining constant.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Available-for-sale securities	**11.3**	9.9	**9.2**	8.2

(iii) Market risk - Banking Segment

Market risk arises from activities undertaken in or impacted by financial markets generally. This includes the risk of gain or loss arising from the movement in market price of a financial asset or liability as well as ancillary risks such as liquidity and funding risk.

(iv) Interest rate risk

Non banking specific segment

The Group is exposed to interest rate cash flow and fair value risk as it borrows at variable and fixed rates. This risk is somehow mitigated by non-current receivables and loans at call being granted at variable rates.

The risk for the hotel segment is managed by maintaining an appropriate mix between fixed and floating rate borrowings, and the use of interest rate swap contracts.

Had interest rate on financial liabilities been 10% higher/lower with all other variables held constant, the effect on profit or loss would be as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit or loss	**53.6**	36.7	**5.9**	4.9

45. FINANCIAL RISK MANAGEMENT (CONT'D)

Banking specific segment

Interest rate risk is the exposure of the bank's financial condition to adverse movements in interest rates. Changes in interest rates affect a bank's earnings and the underlying value of the bank's assets and liabilities. Interest rates applied by the bank on credits are based on the key interest rate of the Central Bank of Madagascar. The Bank's basic rate was 14.9% during the year. Interest rates on deposits are fixed.

The interest sensitivity of assets and liabilities for the banking segment is as follows:

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-interest bearing	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets							
Cash and Bank balances with central bank	-	-	477,935	-	-	1,527,969	2,005,904
Investment in securities	-	419,973	827,662	-	-	50,910	1,298,545
Balance with other credit institutions	-	-	-	-	-	4,842	4,842
Balance with other banks	1,394,159	1,036,147	106,845	-	-	4,651	2,541,802
Loans and advances	4,803,377	-	-	228,321	3,482,965	-	8,514,663
Other investments	-	-	-	-	-	19,248	19,248
Other assets	-	-	-	-	-	1,276,243	1,276,243
	6,197,536	1,456,120	1,412,442	228,321	3,482,965	2,883,863	15,661,247
Liabilities							
Deposits from customers	6,288,602	362,310	388,974	6,323	-	6,220,829	13,267,038
Other liabilities	-	-	-	-	-	2,352,067	2,352,067
	6,288,602	362,310	388,974	6,323	-	8,572,896	15,619,105

(v) Foreign exchange risk

Non banking specific segment

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The Group has a treasury department in place where foreign exchange exposure risk is monitored and managed. If necessary, management can also use financial instruments to hedge currency risk.

The textile segment is primarily exposed to GBP, Euro, USD, SA Rand and INR. Foreign exchange risk arises from future commercial transactions.

Forward contracts are used to mitigate foreign currency risks.

The hotel segment enters into a variety of forward contracts and swaps to manage its exposure to foreign currency risk.

Banking specific segment

Currency risk is the potential movements in foreign exchanges rates that may adversely affect the bank's financial position.

The Bank's transactions in foreign currencies are mainly in Euro and USD. The Bank's foreign currency exposure of 6.5% is within the regulatory maximum of 20% of capital applied in Madagascar.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

The Group's and the Company's financial assets and financial liabilities by foreign currency is detailed below:

THE GROUP

At 30 June 2016	USD	EURO	ARIARY	OTHERS
Assets	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Non banking specific segment				
Investments in associates	-	277,307	-	446,034
Investments in other financial assets	101,275	38	-	-
Trade and other receivables	1,258,278	373,211	166,366	1,270,913
Cash and cash equivalents	78,516	182,390	31,492	774,856
	1,438,069	**832,946**	**197,858**	**2,491,803**
Banking specific segment				
Investments in other financial assets	-	228	19,019	-
Investments securities	-	-	1,298,545	-
Loans and advances	194,736	325,635	7,994,285	8
Trade and other receivables	219,562	109,529	210,339	1
Cash and cash equivalents	1,599,289	1,026,476	1,844,747	1
	2,013,587	**1,461,868**	**11,366,935**	**10**
	3,451,656	**2,294,814**	**11,564,793**	**2,491,813**
Liabilities				
Non banking specific segment				
Borrowings	4,014,617	3,927,057	41,434	542,741
Trade and other payables	467,406	137,923	47,813	941,252
	4,482,023	**4,064,980**	**89,247**	**1,483,993**
Banking specific segment				
Trade and other payables	218,533	92,037	250,971	9
Deposits from customers	1,675,594	1,314,906	10,244,538	32,000
	1,894,127	**1,406,943**	**10,495,509**	**32,009**
	6,376,150	**5,471,923**	**10,584,756**	**1,516,002**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

THE GROUP

At 30 June 2015	USD	EURO	ARIARY	OTHERS
Assets	MUR'000	MUR'000	MUR'000	MUR'000
Non banking specific segment				
Investments in associates	569	410,330	-	
Investments in other financial assets	39,369	5,028	-	
Trade and other receivables	1,012,130	507,952	7,286	1,646,198
Cash and cash equivalents	323,655	74,377	19,238	588,571
	1,375,723	**997,687**	**26,524**	**2,234,769**
Banking specific segment				
Investments in other financial assets	-	25	19,696	-
Investments securities	-	-	1,844,931	-
Loans and advances	95,505	431,840	6,889,205	12
Trade and other receivables	315,074	65,827	257,088	-
Cash and cash equivalents	1,216,118	600,030	1,444,636	49,152
	1,626,697	**1,097,722**	**10,455,556**	**49,164**
	3,002,420	**2,095,409**	**10,482,080**	**2,283,933**
Liabilities				
Non banking specific segment				
Borrowings	3,345,382	2,180,812	79,503	455,168
Trade and other payables	469,830	834,516	19,238	783,005
	3,815,212	3,015,328	98,741	1,238,173
Banking specific segment				
Trade and other payables	313,705	74,577	259,196	8
Deposits from customers	1,186,257	1,039,240	9,260,295	15,966
	1,499,962	**1,113,817**	**9,519,491**	**15,974**
	5,315,174	**4,129,145**	**9,618,232**	**1,254,147**

THE COMPANY

At 30 June 2016	USD	EURO	OTHERS
Assets	**MUR'000**	**MUR'000**	**MUR'000**
Investments in associates	-	291,143	-
Investments in other financial assets	101,275	266	19,029
Cash and cash equivalents	74	71	2
	101,349	**291,480**	**19,031**

At 30 June 2015	USD	EURO	OTHERS
Assets	MUR'000	MUR'000	MUR'000
Investments in associates	-	402,039	-
Investments in other financial assets	29,533	4,586	-
Cash and cash equivalents	527	256	-
	30,060	406,881	-

All other assets and liabilities are denominated in Mauritian Rupees.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

The following table details the Group's sensitivity to a 5% increase or decrease in the rupee against the relevant foreign currencies:

	THE GROUP			
	Profit or loss		Profit or loss	
	2016	Equity	2015	Equity
	MUR'M	MUR'M	MUR'M	MUR'M
US Dollar	**128.6**	1.7	113.3	1.3
Euro	**135.0**	0.2	89.8	0.2
Ariary	**40.8**	0.8	26.3	0.9

	THE COMPANY			
	Profit or loss		Profit or loss	
	2016	**Equity**	2015	Equity
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
US Dollar	**-**	4.3	-	1.3
Euro	**12.4**	-	17.1	0.2

(vi) Liquidity risk

Non banking specific segment

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The hotel segment has implemented a Refinancing Plan to match debt servicing with future cash flows based on a strategic plan, and an effective hedging whereby a portion of the MUR debt would be converted into Euro.

Going forward, the Group continues to focus on reducing the gearing level and management expects positive cash flow with all resorts in full operation as from December 2016. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

Banking specific segment

Liquidity risk is the risk of a lack of funds to meet immediate or short term obligations in a cost effective way.

Excess cash in MGA and other currencies are deposited as treasury bonds or placement with Central Bank and short/medium terms placements respectively. The Bank may also borrow from the Central Bank of Madagascar need be.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
At 30 June 2016				
Borrowings	**8,952,563**	**754,921**	**2,744,146**	**1,868,288**
Deposits from customers	**13,260,715**	**6,323**	**-**	**-**
Trade and other payables	**4,195,012**	**-**	**-**	**-**
Proposed dividend	**167,768**	**-**	**-**	**-**
Current tax liabilities	**117,341**	**-**	**-**	**-**
Total	**26,693,399**	**761,244**	**2,744,146**	**1,868,288**
At 30 June 2015				
Borrowings	5,810,936	977,657	3,884,853	742,732
Deposits from customers	11,495,591	6,167	-	-
Trade and other payables	5,039,824	-	-	-
Proposed dividend	167,499	-	-	-
Current tax liabilities	117,183	-	-	-
Total	22,631,033	983,824	3,884,853	742,732

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) **Fair value estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company/Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are disclosed in Note 2.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

(c) **Capital risk management**

The Group's objective when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets in order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, issue new shares or sell assets.

The assets of the Company are financed through equity and borrowings.

The gearing ratio, excluding banking deposits and cash and cash equivalents, as at 30 June 2016 is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	MUR'000	MUR'000	**MUR'000**	MUR'000
Total debt	**14,308,918**	11,416,178	**1,096,998**	1,441,611
Less Cash & cash equivalents	**(1,066,788)**	(1,150,314)	**(1,852)**	(41,572)
	13,242,130	10,265,864	**1,095,146**	1,400,039
Total equity	**23,584,056**	22,134,258	**12,919,928**	13,093,955
Gearing	**35.96%**	31.68%	**7.81%**	9.66%

Banking segment

The minimum required capital adequacy ratio in Madagascar is 8%. As at 30 June 2016, the capital adequacy ratio of BNI Madagascar was 13.17% as follows:

Capital base	MUR'000	**1,412**
Risk weighted	MUR'000	**10,719**
Capital adequacy ratio		**13.17%**

46. EVENTS AFTER THE REPORTING PERIOD

Financial segment

On the 2 September 2016, CIEL Finance Limited increased its stake in Investment Professional Ltd from 55.5% to 95.5% by acquiring the 40% stake held by Religare Global Assets Management Inc.

Textile segment

Following Board decision on 17 August 2016, the Knitwear Cluster has embarked on a restructuring programme.

This will involve the reduction of significant production capacities in Mauritius during the next financial year.

Similarly, production capacities in Antananarivo, Madagascar will also be reduced and production will take place in two factories instead of three. These measures will lead to restructuration costs during the next financial year and which could be up to MUR 40M. As from 2016-17, CIEL Textile Limited has started operations in Antsirabe, Madagascar from its new automated factory.

Hotel segment

Following the board meeting of 28 September 2016, the Board of Directors of Sun Limited approved a multi-currency bond issue as part of its refinancing plan to refinance its existing debt over a longer tenor at a lower cost.

47. FINANCIAL SUMMARY

		2016	Restated 2015	2014
		MUR'000	MUR'000	MUR'000
	THE GROUP			
(a)	**Statement of profit or loss and other comprehensive income**			
	REVENUE	**18,532,552**	16,454,941	9,717,962
	Earnings before interests, taxation, depreciation and amortisation	**2,735,617**	2,580,597	892,957
	Depreciation and amortisation	**(749,554)**	(649,973)	(229,384)
	Earnings before interests and taxation	**1,986,063**	1,930,624	663,573
	Finance costs	**(555,110)**	(326,413)	(135,875)
	Share of results of joint ventures	**146,998**	93,697	(22,402)
	Share of results of associates	**56,254**	150,933	(68,435)
	Profit before non-recurring items	**1,634,205**	1,848,841	436,861
	Fair value loss on forward contracts	**-**	-	(55,178)
	Profit on sale of investment	**-**	-	31,729
	Profit on sale of properties	**-**	168,552	-
	Closure, marketing launch, restructuring, branding and transaction costs	**(534,208)**	(265,249)	-
	Increase in fair value of investment properties	**265,135**	-	101,823
	Gain from a bargain purchase	-	-	160,737
	Fair value gain on business combination	**-**	700,622	(441,880)
	Impairment of goodwill	**(29,917)**	-	-
	Impairment of investment	**-**	(17,545)	(183,747)
	Profit before taxation	**1,335,215**	2,435,221	50,345
	Income tax	**(153,281)**	(255,154)	(102,864)
	Profit for the year	**1,181,934**	2,180,067	(52,519)
	Other comprehensive income:			
	Items that will not be reclassified to profit or loss:			
	Gains on revaluation of land and buildings	**209,880**	823,770	682,522
	Deferred tax on revaluation gain	**(59,916)**	(86,951)	(53,091)
	Remeasurements of post employment benefit obligations	**-**	(17,178)	(67,972)
	Share of other comprehensive income of associates	**(59,621)**	(32,139)	-
	Deferred tax on remeasurements of post retirement benefit obligations	**8,170**	4,574	12,250
		98,513	692,076	573,709

47. FINANCIAL SUMMARY (CONT'D)

		2016	Restated 2015	2014
		MUR'000	MUR'000	MUR'000
(a)	**Statement of profit or loss and other comprehensive income (cont'd)**			
	Items that may be reclassified subsequently to profit or loss:			
		(14,374)	4,017	(3,377)
	Release upon disposal of investment	**-**	(2,040)	-
	Share of other comprehensive income of associates and joint ventures	**(94,116)**	(70,533)	306,529
	Currency translation differences	**67,144**	184,406	(40,041)
	Cash flow hedges	**(4,700)**	90,226	(40,380)
	Deferred tax on cash flow hedges	**8,279**	(2,838)	2,003
		(37,767)	203,238	224,734
	Other comprehensive income for the year	**60,746**	895,314	798,443
	Total comprehensive income for the year	**1,242,680**	3,075,381	745,924
	Profit attributable to:			
	Owners of the parent	**477,150**	1,125,990	(383,268)
	Non-controlling interests	**704,784**	1,054,077	330,749
		1,181,934	2,180,067	(52,519)
	Total comprehensive income attributable to:			
	Owners of the parent	**425,803**	1,590,950	276,550
	Non-controlling interests	**816,877**	1,484,431	469,374
		1,242,680	3,075,381	745,924
	Earnings/(loss) per share	**0.31**	0.74	(0.38)
	Earnings per share before non-recurring items	**0.46**	0.48	0.03
(b)	**Statement of financial position**			
	ASSETS			
	Non current assets	**33,973,198**	31,196,617	22,890,164
	Current assets	**13,477,756**	11,724,867	11,945,339
	Non current assets held for sale	**19,693**	19,693	462,907
	Specific banking segment assets	**9,813,208**	9,261,493	8,781,633
	Total assets	**57,283,855**	52,202,670	44,080,043
	EQUITY AND LIABILITIES			
	Capital and reserves	**13,834,269**	13,707,916	12,085,283
	Non controlling interest	**9,749,787**	8,426,342	5,821,590
	Total equity	**23,584,056**	22,134,258	17,906,873
	LIABILITIES			
	Non current liabilities	**7,000,077**	7,341,350	5,679,545
	Current liabilities	**13,432,684**	11,225,304	7,971,179
	Specific banking segment liabilities	**13,267,038**	11,501,758	12,522,446
		33,699,799	30,068,412	26,173,170
	Total equity and liabilities	**57,283,855**	52,202,670	44,080,043

48. PRIOR YEAR ADJUSTMENT

During the year ended 30 June 2016, Sun Limited has paid an additional consideration of MUR 89.9M relating to the acquisition of the remaining 50% shareholding in Anahita Hotel Limited.

In accordance with "IFRS 3: Business Combinations", Sun Limited has retrospectively adjusted for the provisional amounts recognised at the acquisition date of Anahita Hotel Limited, that is, 30 June 2015, to reflect the final consideration. The retrospective adjustments were made by restating the comparative amounts for prior period.

The effects on the statements of financial position were as follows:

	THE GROUP					
	(Decrease)/increase					
	Property, plant and equipment	Intangible assets	Trade and other payables	Deferred tax liability	Non controlling interest	Retained earnings
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Adjustments in the year ended 30 June 2015	(12,381)	191,012	89,862	(1,093)	36,134	53,728

The effects on the statements of profit or loss and other comprehensive income were as follows:

	THE GROUP		
	(Decrease)/increase		
	Share of results of associate	Fair value gain on business combination	Profit for the period
	MUR'000	MUR'000	MUR'000
Year ended 30 June 2015	(7,805)	97,667	89,862

	30 June 2015
	MUR
Increase in basic earnings per share	0.04

49. ADJUSTMENT TO OPENING BALANCE

The opening balance adjustments relate to changes in the opening financial position of one of the subsidiaries that were recognised in the current year.