Independent auditors' report
to the shareholders of ENL Limited

This report is made solely to the members of ENL 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of ENL Limited and its subsidiaries (the group), and the company's separate financial statements on pages 105 to 195 which comprise the statements of financial position as at June 30, 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 105 to 195 give a true and fair view of the financial position of the group and of the company as at June 30, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditors' report
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1 The company - Valuation/Impairment of investments in subsidiaries, associates and others

Key Audit Matter

The company carries its investments in subsidiaries, associates and others at fair value. At June 30, 2017, total investments amounted to Rs.14.6bn. The amount is significant to the financial statements.

Moreover, the fair value exercise involves the use of estimates and judgements. The identification of impairment events and the determination of an impairment charge also require the application of significant judgement by management, in particular with respect to the timing, quantity and estimation of future cash flows.

In view of the significance of the investments and the above, we consider investment valuation/impairment to be a significant key audit matter.

Related Disclosures

Refer to notes 9 and 10 of the accompanying financial statements.

Audit Response

In our audit approach, we reviewed the valuation methods used and discussed with management and Independent Valuer regarding the reasonableness of the basis and assumptions used. We also verified the inputs used in the fair value computation.

Our audit response also consisted of analysing the possible indications of impairment and discussed them with management and independent valuer. We discussed the forecasted results of the subsidiaries with management and independent valuer, and also reviewed the substantiation of the forecasts based on historical information.

2 The group - Valuation of property, plant and equipment and investment properties

Key Audit Matter

As at June 30, 2017, the group had property, plant and equipment which included land and buildings amounting to Rs.19.9bn and investment properties amounting to Rs.19.9bn. The significance of the land, buildings and investment properties on the statement of financial position resulted in them being identified as a key audit matter.

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. The fair value of land and buildings is arrived by using the market value approach.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value as determined annually by the directors subsequent to the valuation carried out by external valuers which is based on the discounted cash flow model, residual value approach and open-market basis as appropriate.

Related Disclosures

Refer to notes 5 and 6 of the accompanying financial statements.

Independent auditors' report
to the shareholders of ENL Limited

2 The group - Valuation of property, plant and equipment and investment properties (cont'd)

Audit Response

Our audit procedures included testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of detail to ensure completeness and accuracy of the land and building and investment properties through the following:

- Ensured the estimated remaining useful lives and residual values of land and buildings is reasonable, by comparing the directors' estimates to the useful lives of assets with similar characteristics.

- Reviewed the group's depreciation policy for land and building and verified the inputs to the calculation.

- Performed predictive tests on depreciation charge.

We tested the key inputs to the valuation of the group's land and building and investment properties as follows:

- Assessment and discussion of management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.

- Obtained the external valuation reports and discussed with the external valuers about the results of their work on a sample of properties. We discussed and challenged the valuation process, performance of the portfolio, significant judgments and assumptions applied to the valuation model, including yields, occupancy rates, capitalisation rates and lease incentives. We benchmarked and challenged the key assumptions to external industry data and comparable property valuation.

- Testing the integrity of a sample of the data provided to the external valuers. This included verifying a sample of information provided to the external valuers to underlying lease agreements.

- Testing land values by comparing the values used by the valuers to land values of similar characteristics.

3 The group - Assessment of net realisable value of inventories

Key Audit Matter

Inventory is carried in the financial statements at the lower of cost and net realisable value. The net carrying value of inventory at June 30, 2017 was Rs.1.8bn. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions and is therefore considered a significant key audit matter.

Related Disclosures

Refer to note 15 of the accompanying financial statements.

Audit Response

Our audit procedures were designed to challenge the basis used for assessing the net realisable value of inventory and included:

Examining the subsidiaries' historical trading patterns of inventory sold at full price and inventory sold below full price, together with the related margins achieved for each product lines in order to gain comfort that stock has not been sold below cost; and

Assessing the appropriateness of the percentages applied to arrive at the net realisable value by challenging the assumptions made by the Directors on the extent to which older inventory can be sold.

Independent auditors' report
to the shareholders of ENL Limited

4 The group - Trade debtors recoverability

Key Audit Matter

The recoverability of trade receivables and the level of provisions for impairment of receivables are considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. At June 30, 2017, trade receivables amounted to Rs.1.9bn, net of provision of Rs.203m.

Audit Response

We have:

– assessed the design and implementation of key controls around the monitoring of recoverability;

– challenged management regarding the level and ageing of trade receivables, along with the consistency and appropriateness of receivables provisioning by assessing recoverability with reference to cash received in respect of debtors. In addition we have considered the group's previous experience of bad debt exposure and the individual counter-party credit risk;

– critically assessed the recoverability of overdue unprovided debt with reference to the historical levels of bad debt expense and credit profile of the counter-parties;

– tested these balances on a sample basis through agreement to post period end invoicing and cash receipt; and

– considered the consistency of judgments regarding the recoverability of trade receivables made year on year to consider whether there is evidence of management bias through discussion with management on their rationale and obtaining evidence to support judgement areas.

Related Disclosures

Refer to note 17 of the accompanying financial statements.

5 The group - Assessment of impairment of goodwill

Key Audit Matter

Goodwill arising on acquisition of subsidiaries amounted to Rs.736m at June 30, 2017. Goodwill is tested annually for impairment. These calculations require the use of estimates. We considered testing the impairment of goodwill to be a significant key audit matter as it involves judgement and assumptions.

Related Disclosures

Refer to note 8 of the accompanying financial statements.

Audit Response

The assessment of impairment of goodwill was based on the fair value of the related investment determined at June 30, 2017 as well as on the discounted cash flows of the cash generating unit to which the goodwill is related.

We discussed with management and independent valuer the assumptions used in the forecasted results. We performed procedures relating to the disclosures on impairment testing included in the financial statements and reviewed the latest management decision with regards to the business model to assess whether the assumptions are in line with the valuation assumptions made.

Independent auditors' report
to the shareholders of ENL Limited

6 The group - Revenue recognition

Key Audit Matter

The group's revenue is made up of sales of goods and services, sugar, properties and diversification proceeds, interest, dividend, management fees and rental income . Revenue is measured at the fair value of the consideration received or receivable after eliminating sales within the group. We focussed on this area due to the significance value of revenue for the group and the risk attached to the timing of recognition of revenue.

Related Disclosures

Refer to note 26 of the accompanying financial statements.

Audit Response

Our audit procedures to address the risk of material misstatement relating to revenue recognition included:
- An understanding of key controls management has in place to ensure that revenue is recognised in the appropriate period and in line with the respective terms and conditions.
- Testing the operating effectiveness of the key controls, the information used and management's review and approval of revenue recognised.
- Ensuring completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised
- Obtained explanation from management on major variations noted.
- Obtained confirmation from component auditors on the revenues accounted at group level and any major unadjusted items and weaknesses were reported.
- Ensure all intergroup revenue are eliminated.

Other information

The Directors are responsible for the other information. The other information comprises of the following reports (but does not include the financial statements and our auditor's report thereon):
- Key highlights
- Value creation model
- CEO's review including segment's review
- Human capital
- Social capital
- Risk management
- Corporate information
- Leaders
- Corporate Governance Report
- Statement of Compliance
- Statement of Directors' Responsibilities

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

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

Independent auditors' report
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Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and 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.

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

Those charged with governance are responsible for overseeing the group and the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Independent auditors' report
to the shareholders of ENL Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 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 the disclosure is consistent with the requirements of the Code.

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

BDO & Co

Chartered Accountants
Port Louis,
Mauritius.

29 September 2017

Rookaya Ghanty, FCCA

Licenced by FRC

JUNE 30, 2017

Statements of financial position

	Notes	THE GROUP 2017 Rs'000	THE GROUP 2016 Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**21,402,593**	19,620,685	**8,571**	6,242
Investment properties	6	**19,965,015**	17,937,868	**-**	-
Deferred expenditure	7	**231,550**	171,045	**-**	-
Intangible assets	8	**1,177,376**	1,158,069	**12**	25
Investments in subsidiary companies	9	**-**	-	**14,625,784**	14,377,982
Investments in associated companies	10	**8,579,116**	8,083,922	**130**	130
Investments in jointly controlled entities	11	**43,622**	15,500	**-**	-
Investments in financial assets	12(b)	**1,507,987**	1,411,003	**2,453**	2,451
Deposit on investments	13	**1,500**	1,500	**-**	-
Non-current receivables	14	**81,662**	96,659	**1,167,801**	1,167,418
Deferred tax assets	22	**66,998**	35,814	**14,697**	12,702
		53,057,419	48,532,065	**15,819,448**	15,566,950
Current assets					
Inventories	15	**1,820,697**	2,286,024	-	-
Consumable biological assets	16	**351,748**	394,951	**-**	-
Trade and other receivables	17	**3,474,173**	4,160,077	**1,954**	10,661
Receivable from group companies	18	**-**	-	**408,195**	467,162
Held for trading securities	12(c)	**63,123**	54,991	**699**	699
Cash and cash equivalents	35(c)	**1,199,100**	1,434,693	**11,309**	10,372
		6,908,841	8,330,736	**422,157**	488,894
Non-current assets classified as held for sale	19	**76,224**	50,187	**127,700**	-
Total assets		**60,042,484**	56,912,988	**16,369,305**	16,055,844
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	20	**2,138,400**	2,138,400	**2,138,400**	2,138,400
Fair value, revaluation and other reserves	32	**7,403,414**	6,853,171	**10,761,545**	10,433,808
Retained earnings		**7,646,135**	7,480,378	**1,586,981**	1,590,964
Equity holders' interests		**17,187,949**	16,471,949	**14,486,926**	14,163,172
Non-controlling interests		**18,945,636**	17,528,561	**-**	-
Total equity and reserves		**36,133,585**	34,000,510	**14,486,926**	14,163,172
LIABILITIES					
Non-current liabilities					
Borrowings	21	**13,554,585**	12,655,889	**1,567,145**	1,575,103
Deferred tax liabilities	22	**587,475**	406,329	**-**	-
Retirement benefit obligations	23	**849,893**	758,186	**92,316**	73,712
		14,991,953	13,820,404	**1,659,461**	1,648,815
Current liabilities					
Trade and other payables	24	**3,920,779**	4,703,156	**32,199**	26,442
Payable to group companies	25	**-**	-	**10,764**	12,602
Current tax liabilities	31(b)	**29,574**	44,037	**-**	-
Borrowings	21	**4,902,441**	4,261,483	**115,803**	121,415
Proposed dividends	33	**64,152**	83,398	**64,152**	83,398
		8,916,946	9,092,074	**222,918**	243,857
Total liabilities		**23,908,899**	22,912,478	**1,882,379**	1,892,672
Total equity and liabilities		**60,042,484**	56,912,988	**16,369,305**	16,055,844

These financial statements were approved for issue by the Board of Directors on 29 September 2017

Hector Espitalier-Noël
Chairman

Roger Espitalier Noël
Director

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Statements of profit or loss
and other comprehensive income

	Notes		THE GROUP 2017 Rs'000	THE GROUP 2016 Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
Sales	26		**12,127,226**	11,663,847	**-**	-
Cost of sales			**(6,729,783)**	(6,598,124)	**-**	-
Gross profit			**5,397,443**	5,065,723	**-**	-
Sugar and agricultural diversification proceeds	26		**785,882**	729,946	**-**	-
Investment and other income	26		**883,608**	963,796	**298,486**	360,623
Management and secretarial fees	26		**10,673**	5,698	**120,126**	92,014
			7,077,606	6,765,163	**418,612**	452,637
Other operating expenses	27		**(1,631,308)**	(1,621,969)	**(3,110)**	(3,744)
Administrative expenses			**(4,429,632)**	(4,211,148)	**(154,564)**	(141,420)
Movement in consumable biological assets	16		**(43,203)**	24,866	**-**	-
Operating profit			**973,463**	956,912	**260,938**	307,473
Fair value gain on revaluation of investment properties	6		**1,134,101**	627,221	**-**	-
Fair value gain/(loss) on held for trading securities	12('c)		**8,132**	(3,834)	**-**	-
Profit/(loss) on disposal of land, investments and others			**77,312**	(38,345)	**-**	-
Compensation for waiver of rights to lessee on land and buildings			**872**	6,282	**-**	-
Reorganisation/relocation costs	28		**-**	(914)	**-**	-
Bargain purchase			**-**	482,542	**-**	-
Fair value loss arising on business combination			**-**	(305,441)	**-**	-
Excess of fair value of the share of net assets over acquisition price			**124,090**	30,471	**-**	-
Acquisition related costs			**-**	(78,145)	**-**	-
Goodwill and investment impaired			**(5,455)**	(9,103)	**-**	-
Share of profits less losses of associated companies and jointly controlled entities, net of tax			**110,360**	313,961	**-**	-
Finance costs	29		**(974,511)**	(971,226)	**(102,431)**	(108,128)
Profit before taxation			**1,448,364**	1,010,381	**158,507**	199,345
Income tax (charge)/credit	31(a)		**(165,894)**	(135,468)	**(546)**	395
Profit for the year			**1,282,470**	874,913	**157,961**	199,740
Other comprehensive income for the year:						
Items that will not be reclassified to profit or loss:						
Release to income on disposal of investments			**3,833**	-	**-**	-
Remeasurement of post employment benefit obligations, net of deferred tax			**(47,862)**	4,639	**(14,394)**	(5,033)
			(44,029)	4,639	**(14,394)**	(5,033)
Items that may be reclassified subsequently to profit or loss:						
Fair value adjustments on available-for-sale financial assets			**71,496**	55,219	**327,737**	404,869
Surplus on revaluation of property, plant and equipment, net of deferred tax			**1,440,320**	**-**	-	-
Currency translation differences			**(17,932)**	(17,937)	**-**	-
Share of other comprehensive income of associated companies and jointly controlled entities			**(117,819)**	(8,209)	**-**	-
			1,376,065	29,073	**327,737**	404,869
Other comprehensive income for the year, net of tax			**1,332,036**	33,712	**313,343**	399,836
Total comprehensive income for the year			**2,614,506**	908,625	**471,304**	599,576
Profit attributable to:						
Owners of the company			**466,845**	236,480	**157,961**	199,740
Non-controlling interests			**815,625**	638,433	**-**	-
			1,282,470	874,913	**157,961**	199,740
Total comprehensive income attributable to:						
Owners of the company			**968,160**	251,051	**471,304**	599,576
Non-controlling interests			**1,646,346**	657,574	**-**	-
			2,614,506	908,625	**471,304**	599,576
Earnings per share	34	Rs.	**2.18**	1.11	**0.74**	0.93

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Statements of changes **in equity**

THE GROUP	Note	Share capital	Fair value, revaluation and other reserves: Holding company and subsidiaries	Fair value, revaluation and other reserves: Associated companies	Retained earnings: Holding company and subsidiaries	Retained earnings: Associated companies	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent							
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2016		2,138,400	6,535,317	317,854	6,229,295	1,251,083	16,471,949	17,528,561	34,000,510
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	137,200	137,200
Capital reduction made by subsidiaries attributable to non-controlling shareholders		-	-	-	-	-	-	14,259	14,259
Acquisition and deconsolidation of group companies		-	2,814	-	6,124	(1,076)	7,862	(37,904)	(30,042)
Effect of change in ownership interest not resulting in loss of control		-	(27,022)	-	(77,919)	(4,759)	(109,700)	60,176	(49,524)
Transfer on disposal of land and buildings		-	(27,418)	-	27,418	-	-	-	-
Other transfers		-	(4,344)	-	8,083	(3,739)	-	(1,674)	(1,674)
Movement in reserves		-	-	(529)	-	(2,243)	(2,772)	(3,928)	(6,700)
Profit for the year		-	-	-	457,209	9,636	466,845	815,625	1,282,470
Other comprehensive income for the year		-	617,700	(10,958)	(47,559)	(57,868)	501,315	830,721	1,332,036
Dividends	33	-	-	-	(147,550)	-	(147,550)	-	(147,550)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	(397,400)	(397,400)
Balance at June 30, 2017		**2,138,400**	**7,097,047**	**306,367**	**6,455,101**	**1,191,034**	**17,187,949**	**18,945,636**	**36,133,585**

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Statements of changes **in equity**

		Attributable to owners of the parent							
			Fair value, revaluation and other reserves		Retained earnings				
THE GROUP	Note	Share capital	Holding company and subsidiaries	Associated companies	Holding company and subsidiaries	Associated companies	Total	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2015		2,138,400	6,496,803	931,400	5,770,064	1,144,078	16,480,745	16,230,439	32,711,184
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	508,049	508,049
Acquisition and deconsolidation of group companies		-	2,069	-	101,334	(117,058)	(13,655)	297,779	284,124
Net assets of subsidiary at date of acquisition attributable to non-controlling shareholders		-	-	-	-	-	-	35,706	35,706
Effect of change in ownership interest not resulting in loss of control		-	54,584	-	(46,080)	(36,151)	(27,647)	84,081	56,434
Transfer on disposal of land and buildings		-	(25,731)	-	25,731	-	-	-	-
Other transfers		-	(6,372)	-	447,833	(493,210)	(51,749)	119,261	67,512
Profit for the year		-	-	-	100,456	136,024	236,480	638,433	874,913
Other comprehensive income for the year		-	13,964	(613,546)	(3,247)	617,400	14,571	19,141	33,712
Dividends	33	-	-	-	(166,796)	-	(166,796)	-	(166,796)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	(404,328)	(404,328)
Balance at June 30, 2016		**2,138,400**	**6,535,317**	**317,854**	**6,229,295**	**1,251,083**	**16,471,949**	**17,528,561**	**34,000,510**

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Statements of changes **in equity**

THE COMPANY	Note	Share capital	Fair value, revaluation and other reserves	Retained earnings	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2016		2,138,400	10,433,808	1,590,964	14,163,172
Profit for the year		-	-	157,961	157,961
Other comprehensive income for the year		-	327,737	(14,394)	313,343
Dividends	33	-	-	(147,550)	(147,550)
Balance at June 30, 2017		**2,138,400**	**10,761,545**	**1,586,981**	**14,486,926**
Balance at July 1, 2015		2,138,400	10,028,939	1,563,053	13,730,392
Profit for the year		-	-	199,740	199,740
Other comprehensive income for the year		-	404,869	(5,033)	399,836
Dividends	33	-	-	(166,796)	(166,796)
Balance at June 30, 2016		**2,138,400**	**10,433,808**	**1,590,964**	**14,163,172**

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Statements of cash flows

	Notes	THE GROUP 2017 Rs'000	THE GROUP 2016 Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
Cash flows from operating activities					
Cash generated from operations	35(a)	**1,706,340**	1,716,793	**163,513**	238,942
Tax (paid)/refunded		**(83,284)**	(78,389)	**2,613**	(4,159)
Net cash generated from operating activities		**1,623,056**	1,638,404	**166,126**	234,783
Cash flows from investing activities					
Purchase of property, plant and equipment		**(683,084)**	(593,238)	**(1,235)**	(1,295)
Purchase of intangible assets		**(72,438)**	(37,850)	**-**	-
Additions to investment properties		**(700,501)**	(606,571)	**-**	-
Purchase of shares in subsidiaries		**-**	-	**(47,767)**	(35,601)
Purchase of investments		**(727,553)**	(1,770,990)	**-**	(2,004)
Acquisition of subsidiaries net of cash	39	**(7,200)**	(1,868,065)	**-**	-
Acquisition related costs		**-**	(78,145)	**-**	-
Proceeds from disposal of investments		**66,880**	535,022	**-**	-
Proceeds from disposal of property, plant and equipment and investment properties		**134,766**	174,635	**1,375**	743
Compensation for waiver to rights to lessee on land and buildings		**2,125**	30,490	**-**	-
Voluntary retirement scheme and centralisation costs		**(179)**	(12,769)	**-**	-
Reorganisation/relocation costs		**-**	(6,702)	**-**	-
Loans granted		**(18,189)**	(121,396)	**(30,500)**	(196,000)
Loans refunded		**150,120**	287,238	**107,566**	164,566
Interest received		**3,272**	26,648	**92,153**	90,302
Net cash (used in)/generated from investing activities		**(1,851,981)**	(4,041,693)	**121,592**	20,711
Cash flows from financing activities					
Issue of shares to non-controlling shareholders		**78,400**	465,501	**-**	-
Issue of debentures		**560,000**	14,500	**-**	-
Capital reduction made by subsidiaries attributable to non-controlling shareholders		**(9,178)**	-	**-**	-
Proceeds from borrowings		**4,121,385**	7,540,748	**5,000**	85,025
Payments on borrowings		**(3,293,639)**	(4,067,314)	**(22,505)**	(85,000)
Finance lease principal payments		**(62,758)**	(64,233)	**(463)**	(505)
Interest paid		**(1,037,884)**	(1,053,810)	**(102,017)**	(108,313)
Dividends paid		**(166,796)**	(166,796)	**(166,796)**	(166,796)
Dividends paid by subsidiaries to non-controlling shareholders		**(499,486)**	(426,841)	**-**	-
Net cash (used in)/generated from financing activities		**(309,956)**	2,241,755	**(286,781)**	(275,589)
(Decrease)/increase in cash and cash equivalents		**(538,881)**	(161,534)	**937**	(20,095)
Movement in cash and cash equivalents					
At July 1,		**194,985**	364,204	**10,372**	30,467
Effects of exchange rate changes		**(596)**	(7,685)	**-**	-
(Decrease)/increase		**(538,881)**	(161,534)	**937**	(20,095)
At June 30,	35(d)	**(344,492)**	194,985	**11,309**	10,372

The notes on pages 111 to 195 form an integral part of these financial statements.

Independent auditors' report on pages 98 and 104.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

1. GENERAL INFORMATION

ENL Limited is a limited liability company incorporated and domiciled in Mauritius. The holding company is L'Accord Limited, incorporated in Mauritius. Both companies' registered office is at ENL House, Vivéa Business Park, Moka. The ultimate holding entity is Société Caredas, a 'société civile' registered in Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements have been disclosed in their respective notes other than those disclosed below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of preparation

The financial statements of ENL Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the holding company and its subsidiary companies (the group) and the separate financial statements of the holding company (the company). Where necessary, comparative figures have been amended to conform to changes in presentation in the current year. The financial statements have been prepared under the historical cost convention, except that:

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

(ii) investment properties are carried at fair value;

(iii) held for trading and available-for-sale securities are stated at fair value;

(iv) consumable biological assets are stated at fair value; and

(v) relevant financial assets and financial liabilities are stated at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 and in respective applicable notes.

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

IFRS 14 Regulatory Deferral Accounts provides relief for first-time adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the group's financial statements.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES(CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the group's financial statements.

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological assets. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The group accounts for bearer plants amounting to Rs.172.9m as property plant and equipment under IAS 16.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the group's financial statements.
- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the group's financial statements.
- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the group's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the group's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals and confirmation that the notes do not need to be presented in a particular order. The share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the group's financial statements

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 2017 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 15 Revenue from Contract with Customers

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

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)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014–2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

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

(b) Impairment of non-financial assets

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease to the extent of the corresponding revaluation surplus. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using 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 group's functional and presentation currency. Foreign currency transactions are translated into Mauritian rupees using exchange rates prevailing at 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. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(d) Derivative financial instruments

Derivative which comprise of foreign exchange forward contracts are initially recognised at fair value on the dates the derivatives contracts are entered into and are subsequently re-measured at their fair value. These derivatives do not qualify for hedge accounting.

Changes in the fair value of derivatives are recognised immediately in the profit or loss. These derivatives are trading derivatives and are classified as current asset or liability. Changes in fair values of derivatives are included in the profit or loss within finance costs.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks, including:

- Market risk (including currency risk, price risk and cash flow interest risk);
- Credit risk; and
- Liquidity risk

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

Several of the group's subsidiary companies deal in foreign currency transactions and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, the US dollar and the GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Some of the group's subsidiary companies are also exposed to fluctuations of exchange rate which impacts on the price of sugar.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The group

At June 30, 2017, if the rupee had weakened/strengthened by 5% against the Euro/US dollar/GBP with all other variables held constant, post-tax profit for the year would have been Rs.14.9m (2016: Rs.12.2m) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro/US dollar/GBP denominated trade receivables, trade payables and borrowings.

The group uses forward contracts, whenever possible, to hedge its exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings. The risk is also managed through short term swap of currencies.

(ii) Price risk

Equity

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 investments in financial assets. 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.

Sugar

The group is exposed to risk due to fluctuations in the price of sugar. The risk will affect both the crop proceeds and the standing cane valuation.

Commercial

The group is exposed to market risk in respect of residential units for sale and commercial units to rental. Management monitors the demand and supply of the market and decides accordingly to initiate projects.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the group's profit and equity. Increase/decrease in the fair value of the group's investments will not have any material impact on profit/equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

THE GROUP	**Impact on profit**		**Impact on other comprehensive income**	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Available-for-sale investments in financial assets	**-**	-	**56,190**	52,784
Held for trading securities	**3,042**	2,630	**-**	-

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow interest risk

The group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The group's interest rate risk arises from borrowings at variable rates.

At June 30, 2017, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Rupee-denominated borrowings	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Effect higher/lower interest expense on post tax profit	**69,528**	53,620	**4,723**	4,760

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

(b) Credit risk

Credit risk arises principally from the group's trade receivables and is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

The subsidiary companies' credit risk is primarily attributable to their trade receivables. The amounts presented on the statement of financial position are net of allowances for doubtful receivables, estimated by the group's management based on prior experience and current economic environment. The subsidiary companies have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The risk with the sales of sugar from the operations in Mauritius is remote as the subsidiary exports its entire production through the Mauritius Sugar Syndicate.

(c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The group aims at maintaining flexibility in funding by keeping committed credit lines available.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flows and does not foresee any major liquidity risk over the next two years.

The table below analyses the group's and the company's financial liability and net financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At June 30, 2017					
Finance lease liabilities	**102,203**	**81,350**	**98,291**	**4,507**	**286,351**
Trade and other payables	**3,920,779**	**-**	**-**	**-**	**3,920,779**
Bank overdrafts	**1,543,592**	**-**	**-**	**-**	**1,543,592**
Bank and other loans	**3,550,410**	**1,086,336**	**4,530,767**	**9,539,590**	**18,707,103**
At June 30, 2016					
Finance lease liabilities	109,879	87,258	108,851	6,366	312,354
Trade and other payables	4,703,156	-	-	-	4,703,156
Bank overdrafts	1,239,708	-	-	-	1,239,708
Bank and other loans	3,442,049	1,533,803	4,862,249	7,605,343	17,443,444
THE COMPANY					
At June 30, 2017					
Finance lease liabilities	**1,435**	**1,435**	**3,458**	**13**	**6,341**
Trade and other payables	**32,199**	-	-	-	**32,199**
Payable to group companies	**10,764**	-	-	-	**10,764**
Bank and other loans	**214,670**	**124,536**	**1,386,666**	**358,071**	**2,083,943**

YEAR ENDED JUNE 30, 2017

Notes to the
financial statements

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY					
At June 30, 2016					
Finance lease liabilities	406	402	946	-	1,754
Trade and other payables	26,442	-	-	-	26,442
Payable to group companies	12,602	-	-	-	12,602
Bank and other loans	216,747	130,894	1,480,845	521,945	2,350,431

The group's financial liabilities also include convertible preference shares whose repayment and other terms are as disclosed in note 21.

As at June 30, 2017, the group had net current liabilities of Rs.2bn (2016: Rs.761.3m). The group has taken advantage of the excess liquidity prevailing on the money market to fund their activities through short term funding. These short-term borrowings by the group will be converted into medium to long term loans when the situation so warrants.

3.2 Fair value estimation

The fair value of financial instruments traded on 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 or regulatory agency and the prices represent actual and regularly occurring market transactions on an arm's length basis. 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 on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, net asset basis and dividend yield where applicable and makes assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 3. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The carrying amount of the financial assets would be an estimated Rs.19.3m (2016: Rs.17.9m) for the group and Rs. 0.16m (2016: Rs.0.16m) for the company higher/lower in the event their fair values were increased/decreased by 5%. The fair value of those financial assets and liabilities not presented on the group's statements of financial position at their fair values are not materially different from their carrying amounts.

3.3 Capital risk management

The group's objectives when managing capital are:

- to safeguard the entities' ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

YEAR ENDED JUNE 30, 2017

Notes to the
financial statements

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management (cont'd)

The group manages the capital structure and makes adjustments to it in the 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 vary the amount of dividends paid to shareholders or sell assets to reduce debt.

The group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statement of financial position) less cash and bank balances. Adjusted capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained earnings and revaluation, fair value and other reserves).

The net debt-to-adjusted capital ratios at June 30, 2017 and at June 30, 2016 were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debts	**18,457,026**	16,917,372	**1,682,948**	1,696,518
Loans receivable from group companies	**-**	-	**(1,398,050)**	(1,475,500)
Cash and bank balances	**(1,199,100)**	(1,434,693)	**(11,309)**	(10,372)
Net debts	**17,257,926**	15,482,679	**273,589**	210,646
Total equity	**36,133,585**	34,000,510	**14,486,926**	14,163,172
Debt-to-adjusted capital ratio	**0.48**	0.45	**0.01**	0.01

There were no changes in the group's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below and in respective applicable notes to the financial statements.

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 how the group assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the group view of possible near term market changes that cannot be predicted with any certainty.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

5. PROPERTY, PLANT AND EQUIPMENT

(a) Accounting policy

All property, plant and equipment are initially recorded at cost, some of which are subsequently shown at revalued amount based on periodic, but at least triennial valuations by external valuers, less subsequent depreciation. 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 are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. 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 asset will flow to the group and the cost can be measured reliably.

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

Properties in the course of construction for production, or 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.

Property, plant and equipment, other than land, are depreciated over their useful lives on a straight line basis. Depreciation is calculated on a straight line method to write off the cost or revalued amounts of the assets, with the exception of land, to their residual values over their estimated useful lives as follows:

	Years
Buildings and yard	**10 - 50**
Machinery and equipment	**5 - 10**
Motor vehicles	**4 - 10**
Furniture, fittings and others	**4 - 20**
Bearer plants	**14**

Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Bearer biological assets comprise of replantation costs relating to bearer canes and anthurium plants. Cane replantation costs are capitalised and amortised over a period of seven years, one year after the expenses have been incurred. Anthurium plants are valued at cost less amortisation.

When 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 the proceeds with the carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in revaluation surplus relating to those assets are transferred to retained earnings.

Borrowing costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(b) THE GROUP

(i) 2017

	Freehold land	Buildings & yard	Machinery & equipment	Motor vehicles	Furniture, fittings & others	Bearer plants	Assets in progress	Total
COST AND VALUATION	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2016 (restated)	10,463,939	8,389,576	3,171,070	843,047	243,504	367,215	2,616	23,480,967
Acquisition through business combination	-	-	3,300	1,600	-	-	-	4,900
Additions	-	386,368	304,779	129,477	23,891	45,383	20,747	910,645
Disposals	(59,556)	(146,668)	(170,723)	(115,862)	(1,713)	(1,751)	-	(496,273)
Write offs	-	(18,600)	(148)	-	(11)	-	-	(18,759)
Transfer from investment properties (note 6)	6,750	239,336	-	-	-	-	-	246,086
Transfer to non current assets classified as held for sale (note 19)	(92,226)	-	-	-	-	-	-	(92,226)
Revaluation surplus	336,566	1,120,127	-	-	-	-	-	1,456,693
Translation difference	-	(9,800)	(6,400)	3,400	-	-	-	(12,800)
At June 30, 2017	**10,655,473**	**9,960,339**	**3,301,878**	**861,662**	**265,671**	**410,847**	**23,363**	**25,479,233**
DEPRECIATION								
At July 1, 2016 (restated)	-	561,877	2,385,786	553,683	156,084	202,852	-	3,860,282
Acquisition through business combination	-	-	2,000	1,600	-	-	-	3,600
Charge for the year	-	147,001	198,714	111,738	37,778	35,910	-	531,141
Disposal adjustments	-	(2,750)	(137,432)	(97,907)	(1,160)	(864)	-	(240,113)
Write offs	-	(2,173)	-	-	-	-	-	(2,173)
Revaluation adjustment	-	(72,997)	-	-	-	-	-	(72,997)
Translation difference	-	-	(2,900)	(200)	-	-	-	(3,100)
At June 30, 2017	**-**	**630,958**	**2,446,168**	**568,914**	**192,702**	**237,898**	**-**	**4,076,640**
NET BOOK VALUES								
At June 30, 2017	**10,655,473**	**9,329,381**	**855,710**	**292,748**	**72,969**	**172,949**	**23,363**	**21,402,593**

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(b) THE GROUP (CONT'D)

(ii) 2016

	Freehold land	Buildings & yard	Machinery & equipment	Motor vehicles	Furniture, fittings & others	Bearer plants	Assets in progress	Total
COST AND VALUATION	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2015 (restated)	10,844,494	8,245,558	2,855,058	838,173	215,383	328,237	37	23,326,940
Acquisition through business combination	-	23,300	124,500	6,400	-	-	-	154,200
Additions	23,996	155,002	289,043	91,017	36,829	38,978	2,579	637,444
Disposals	(38,399)	(2,875)	(86,559)	(90,243)	(8,364)	-	-	(226,440)
Write offs	-	-	(5,072)	-	(344)	-	-	(5,416)
Transfer to investment properties (note 6)	(131,061)	(26,915)	-	-	-	-	-	(157,976)
Transfer to inventories (stock of land)	(212,916)	-	-	-	-	-	-	(212,916)
Transfer to non current assets classified as held for sale (note 20)	(22,175)	(4,494)	-	-	-	-	-	(26,669)
Translation difference	-	-	(5,900)	(2,300)	-	-	-	(8,200)
At June 30, 2016	**10,463,939**	**8,389,576**	**3,171,070**	**843,047**	**243,504**	**367,215**	**2,616**	**23,480,967**
DEPRECIATION								
At July 1, 2015 (restated)	-	437,705	2,216,982	514,494	125,621	167,589	-	3,462,391
Acquisition through business combination	-	-	45,100	3,700	-	-	-	48,800
Charge for the year	-	126,961	218,729	103,715	36,610	35,263	-	521,278
Disposal adjustments	-	(2,054)	(86,353)	(66,226)	(5,832)	-	-	(160,465)
Write offs	-	-	(5,072)	-	(315)	-	-	(5,387)
Transfer to non current assets classified as held for sale (note 19)	-	(935)	-	-	-	-	-	(935)
Translation difference	-	200	(3,600)	(2,000)	-	-	-	(5,400)
At June 30, 2016	**-**	**561,877**	**2,385,786**	**553,683**	**156,084**	**202,852**	**-**	**3,860,282**
NET BOOK VALUES								
At June 30, 2016	**10,463,939**	**7,827,699**	**785,284**	**289,364**	**87,420**	**164,363**	**2,616**	**19,620,685**

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(b) THE GROUP (CONT'D)

(iii) The group adopted the amendments made to IAS 16 and IAS 41 in relation to bearer plants. Bearer plants were reclassified to property, plant and equipment during the year ended June 30, 2017 along with comparative figures.

(iv) Assets in progress relate to irrigation and other equipment under installation which are not yet operational.

(v) Additions include Rs.158.7m (2016: Rs.98.6m) of assets under finance leases.

(vi) Leased assets included in property, plant and equipment comprise of:

	THE GROUP	
	2017	2016
Machinery and equipment	**Rs'000**	Rs'000
Cost	**171,774**	177,764
Accumulated depreciation	**(83,083)**	(82,350)
Net book values	**88,691**	95,414
Motor vehicles		
Cost	**375,763**	370,423
Accumulated depreciation	**(177,131)**	(197,768)
Net book values	**198,632**	172,655
Total	**287,323**	268,069

(vii) The group's land and buildings were revalued in 2017 by qualified independent professional valuers. The valuations were made on the basis of open market value and replacement costs as appropriate.

The revaluation surplus net of deferred income taxes was credited to revaluation reserves in shareholders' equity.

Details of the group's freehold land and buildings measured at fair value and information about the fair value hierarchy as at the reporting date are as follows:

2017	**Level 2**	**Level 3**
	Rs'000	**Rs'000**
Freehold land	**288,996**	**10,366,477**
Buildings	**-**	**9,329,381**
Total	**288,996**	**19,695,858**

2016	Level 2	Level 3
	Rs'000	Rs'000
Freehold land	206,550	10,257,389
Buildings	-	7,827,699
Total	206,550	18,085,088

The different levels have been defined as follows:

Level 1 - Unadjusted quoted prices in active market for identical assets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.

Level 3 - Inputs for the asset that are not based on observable market data.

There were no transfers between level 1 and 2 during the year.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(b) THE GROUP (CONT'D)

(viii) The table below shows the changes in level 3 instruments for the year ended June 30, 2017 and 2016.

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
At July 1,	**18,085,088**	18,445,797
Acquisition through business combination	**-**	23,300
Additions	**386,368**	178,998
Disposals	**(203,474)**	(39,220)
Write offs	**(16,427)**	-
Transfer	**153,860**	(396,626)
Revaluation adjustment	**1,447,244**	-
Depreciation	**(147,001)**	(126,961)
Translation difference	**(9,800)**	(200)
At June 30,	**19,695,858**	18,085,088

(ix) Information about fair value measurements using significant unobservable inputs (level 3) are as follows:

Description	**Range of unobservable inputs per arpent-Moka district**	**Range of unobservable inputs per arpent-Savannah district**
	Rs'000	**Rs'000**
Agricultural activities	**150-12,500**	**200-650**
Public utilities, rivers and dam	**150**	**150**
Hunting ground	**500**	**500**
Metayer	**250-300**	**250-300**
Fallow Land	**150-2,500**	**200-650**
Paddock	**500**	**500**
Sugar cane land	**500-3,000**	**500-900**

(x) The group's property, plant and equipment are reflected at revalued amounts. If property, plant and equipment were stated at historical cost, the amounts would be as follows:

	Freehold land	Buildings & yard	Total
2017	**Rs'000**	**Rs'000**	**Rs'000**
Cost	**280,579**	**3,679,775**	**3,960,354**
Accumulated depreciation	**-**	**(1,005,008)**	**(1,005,008)**
Net book values	**280,579**	**2,674,767**	**2,955,346**
2016			
Cost	266,688	3,223,039	3,489,727
Accumulated depreciation	-	(919,061)	(919,061)
Net book values	266,688	2,303,978	2,570,666

(xi) Depreciation charge of Rs.488.7m and Rs.41.3m (2016: Rs.447.4m and Rs.38.6m) has been charged to other operating expenses and to cost of sales respectively.

(xii) Bank borrowings are secured on some of the group's property, plant and equipment.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(c) THE COMPANY

(i)

	Motor vehicles	Furniture, fittings & others	Office equipment	Total
2017	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1, 2016	12,514	1,620	6,271	20,405
Additions	5,008	624	-	5,632
Disposals	(5,232)	(51)	-	(5,283)
At June 30, 2017	**12,290**	**2,193**	**6,271**	**20,754**
DEPRECIATION				
At July 1, 2016	8,493	925	4,745	14,163
Charge for the year	1,905	1,061	131	3,097
Disposal adjustments	(5,037)	(40)	-	(5,077)
At June 30, 2017	**5,361**	**1,946**	**4,876**	**12,183**
NET BOOK VALUES				
At June 30, 2017	**6,929**	**247**	**1,395**	**8,571**

(ii)

	Motor vehicles	Furniture, fittings & others	Office equipment	Total
2016	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1, 2015	14,144	1,143	6,020	21,307
Additions	1,905	477	595	2,977
Disposals	(3,535)	-	-	(3,535)
Write offs	-	-	(344)	(344)
At June 30, 2016	**12,514**	**1,620**	**6,271**	**20,405**
DEPRECIATION				
At July 1, 2015	9,809	820	3,854	14,483
Charge for the year	2,219	105	1,207	3,531
Disposal adjustments	(3,535)	-	-	(3,535)
Write offs	-	-	(316)	(316)
At June 30, 2016	**8,493**	**925**	**4,745**	**14,163**
NET BOOK VALUES				
At June 30, 2016	**4,021**	**695**	**1,526**	**6,242**

(iii) Bank borrowings are secured on some of the company's property, plant and equipment.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

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

(c) THE COMPANY (CONT'D)

(iv) Additions of leased assets during the year amounted to Rs.4.3m (2016: Rs.1.9m). Leased assets comprise of motor vehicles as follows:

	THE COMPANY	
	2017	2016
Motor vehicles	**Rs'000**	Rs'000
Cost	**6,913**	1,905
Accumulated depreciation	**(922)**	(287)
Net book values	**5,991**	1,618

(v) Depreciation charge has been included in other operating expenses.

(d) **Critical accounting estimates**

Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives 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 as well as location, wear and tear and frequency of renovation are taken into account. The residual value of an asset is the estimated net amount that the group would currently obtain from the disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life. Residual value assessments consider issues such as future market conditions, the remaining useful 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.

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. (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).

Revaluation of properties

The group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The group appointed independent valuation specialists to determine the fair value of the properties. Valuations were made on the basis of open market values and replacement costs.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties in that specific region.

6. INVESTMENT PROPERTIES

(a) **Accounting policy**

Investment properties are properties which are held to earn rentals or for capital appreciation and not occupied by the group and are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value determined annually by external valuers. Changes in fair value are included in profit or loss.

Properties that are being constructed or developed for future use as investment properties are treated as investment properties. Investment properties are derecognised when they are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

Borrowing costs

Interest costs on borrowings to finance the construction of investment property are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the group incurs in connection with the borrowing of funds.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

6. INVESTMENT PROPERTIES (CONT'D)

(b) **Fair value model**

	THE GROUP 2017 Rs'000	2016 Rs'000
At July 1,	**17,937,868**	9,835,334
Acquisition through business combination	**-**	6,996,450
Additions	**700,501**	689,978
Disposals	**(73,019)**	(104,705)
Increase in fair value	**1,134,101**	627,221
Transfer (to)/from property, plant and equipment (note 5)	**(246,086)**	157,976
Transfer from/(to) inventories (stock of land)	**526,397**	(373,080)
Transfer to non-current assets classified as held for sale (note 19)	**(2,300)**	-
Transfer from intangible assets (note 8)	**586**	106,494
Translation difference	**(13,033)**	2,200
At June 30,	**19,965,015**	17,937,868

(c) The following amounts have been recognised in profit or loss:

	2017 Rs'000	2016 Rs'000
Rental income	**837,433**	782,944
Direct operating expenses generating rental income	**323,037**	304,212
Direct operating expenses that did not generate rental income	**30,100**	28,615

(d) Some of the investment properties were valued on June 30, 2017 by independent professional valuers namely Jones Lang Lasalle and Gexim Real Estate Ltd.

The external valuations were performed using:

(i) a sales comparison approach,

(ii) cost approach,

(iii) income capitalization approach and

(iv) discounted cash flow method

Real estate properties are valued on an open market basis and are classified as level 2.

The valuation consideration takes into account the following:

- the location of the property;
- that this area forms part of an established IRS development with clearances and permits in hand;
- existing new tarred road and utilities;
- the existing facilities; and
- a stable market.

Industrial properties were valued at year end by Noor Dilmohamed and Associates as independent valuer. The valuation methodology is the open-market basis and the fair value is classified as level 2.

The valuation consideration takes into account the following:

- the location of the site;
- the quality of immediate surroundings;
- the physical conditions of the buildings;
- the extent of wear and tear; and
- the level of maintenance.

Some of the investment properties which comprise of bare land has been valued using the residual method. The residual method consists of assessing the value of the scheme as completed and deduction of the costs of development (including developer's profit) to arrive at the underlying land value.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

6. INVESTMENT PROPERTIES (CONT'D)

(d) Other investment properties were valued based on the sales comparison method and residual value method as appropriate.

The group has pledged its investment properties to secure borrowings.

Details of the investment properties and information about the fair value hierarchy are as follows:

Information about fair value measurements using significant unobservable inputs (Level 3):

	Range of unobservable inputs per arpent Moka district	Range of unobservable inputs per arpent Savannah district
Land	**Rs'm**	**Rs'm**
Cane land with conversion permit	**5.20-8.50**	**2.50-3.50**
Established built up /vacant residential and industrial plot - land	**6.00-40.00**	**4.50-7.50**

	Range of unobservable inputs per Square feet Moka district	Range of unobservable inputs per Square Feet Savannah district
Building	**Rs'000**	**Rs'000**
Established built up /vacant residential and industrial plot - building	**300-1,900**	**100-850**

Direct market comparison approach has been used by the independent professional valuer and are based on recent transactions for similar properties.

Other investment properties were valued using the residual method of valuation which consists of preparing a "pre-feasibility" study and estimating the total proceeds of the development and deducting therefrom the development costs to be incurred.

Main inputs used in the valuation of commercial properties are as follows:

Capitalisation rate	**8.50% - 9.00%**
Reversionary rate	**7.50%-12.25%**
Discount rate	**12.50%-16.75%**
Market rental growth	**5.00%**
Expense growth	**5.00%**
Net operating income from properties	**Rs.1.2m-Rs.452m**

(e) **2017**

	THE GROUP	
	Level 2	**Level 3**
	Rs'000	**Rs'000**
Land and buildings	**4,921,722**	**15,043,293**

2016

	THE GROUP	
	Level 2	Level 3
	Rs'000	Rs'000
Land and buildings	3,198,397	14,739,471

(f) The table below shows the changes in level 3 instruments for the year ended June 30, 2017 and 2016.

THE GROUP	**2017** Rs'000	2016 Rs'000
At July 1,	**14,739,471**	8,193,545
Acquisition through business combination/disposal of subsidiary	**57**	6,093,600
Additions	**933,440**	681,278
Increase in fair value	**749,811**	450,302
Transfer	**(1,349,514)**	(658,754)
Disposals	**(28,537)**	(20,500)
Translation difference	**(1,435)**	-
At June 30,	**15,043,293**	14,739,471

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

6. INVESTMENT PROPERTIES (CONT'D)

(g) Critical accounting estimates

Revaluation of investment properties

The group measures its investment properties at revalued amounts with changes in fair value being recognised in profit or loss. The group appointed independent valuation specialists to determine the fair value of the properties which were carried out on the basis of open market values, yield basis, discounted cash flow approach and residual value method.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties in that specific region and residual value method as appropriate.

For developed sites, the income capitalisation method and the depreciated replacement cost basis have been used. The depreciated replacement cost methodology consists of the depreciated replacement cost of the building, plus the market value of the land.

For the unimproved sites, the basis of valuation is the market value, which is the value for which such asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

7. DEFERRED EXPENDITURE

(a) Accounting policy

Land parcelling expenses

Costs associated with the parcelling of land are capitalised and subsequently released to profit or loss in the period in which the sale of land is realised.

Premium on leasehold land

Premium paid on leasehold land is accounted for as deferred expenditure and is included in profit or loss over the number of years remaining on those leases.

Others

In order to match cost and revenue of providing services over the period of the contract, certain expenditure related thereto is deferred.

(b)

	2017				2016
	Land parcelling expenses	**Premium on leasehold land**	**Others**	**Total**	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
At July 1,	**20,845**	**19,100**	**131,100**	**171,045**	124,664
Additions	**1,415**	**-**	**81,000**	**82,415**	1,651
Transfer from other receivables	**-**	**-**	**-**	**-**	52,000
Release to profit or loss	**(3,410)**	**-**	**-**	**(3,410)**	(8,470)
Translation difference	**-**	**(800)**	**(4,300)**	**(5,100)**	1,400
Amortisation charge	**-**	**-**	**(13,400)**	**(13,400)**	(200)
At June 30,	**18,850**	**18,300**	**194,400**	**231,550**	171,045

Professional fees are included in other deferred expenditure and will be released over the contract period.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

8. INTANGIBLE ASSETS

(a) Accounting policy

Computer Software

Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software and is amortised over its estimated useful life of 4 years.

Land derocking

Land derocking and preparation costs are amortised over 7 years, one year after the costs have been incurred.

Land conversion rights

Land conversion rights are transferred to investment properties upon conversion of the land.

Franchise

Franchise is shown at historical cost, has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over its estimated useful lives of 4 - 10 years.

Milling rights

Milling rights relate to the rights in respect of future incremental free cash flows that the group will be benefiting from receiving milling and energy companies in accordance with the closure agreement of Mon Désert Alma Sugar Milling Company Limited. Milling rights are tested annually for impairment.

Goodwill

Goodwill arises on the acquisition of subsidiary companies and represents the excess of the consideration over the group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Any net excess of the group's interests in the net fair value of the acquiree's net identifiable assets over cost is recognised in profit or loss.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. On disposal of a subsidiary company, the 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. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Other purchased goodwill consists mainly of premium paid by certain subsidiaries for acquiring agencies. Impairment tests are carried out at the end of the reporting period.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP

(i) **2017**

	Computer software	Goodwill	Land derocking	Land conversion rights	Franchise	Milling rights	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST								
At July 1, 2016	300,854	727,826	168,929	25,813	13,448	153,314	164,000	1,554,184
Acquisition through business combination	1,400	3,300	-	-	-	-	2,900	7,600
Additions	20,093	-	12,145	-	-	-	40,200	72,438
Disposals	(800)	-	-	-	-	-	-	(800)
Impairment	(2,200)	(5,382)	-	-	-	-	-	(7,582)
Translation difference	200	-	-	-	-	-	(1,400)	(1,200)
Transfer to investment properties (note 6)	-	-	-	(586)	-	-	-	(586)
At June 30, 2017	**319,547**	**725,744**	**181,074**	**25,227**	**13,448**	**153,314**	**205,700**	**1,624,054**
AMORTISATION								
At July 1, 2016	243,193	(10,500)	82,804	-	3,314	68,194	9,110	396,115
Acquisition through business combination	500	-	-	-	-	-	2,900	3,400
Charge for the year	23,467	-	20,964	-	845	-	2,700	47,976
Disposals adjustments	(800)	-	-	-	-	-	-	(800)
Translation difference	(13)	-	-	-	-	-	-	(13)
At June 30, 2017	**266,347**	**(10,500)**	**103,768**	**-**	**4,159**	**68,194**	**14,710**	**446,678**
NET BOOK VALUES								
At June 30, 2017	**53,200**	**736,244**	**77,306**	**25,227**	**9,289**	**85,120**	**190,990**	**1,177,376**

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(ii) 2016	Computer software Rs'000	Goodwill Rs'000	Land derocking Rs'000	Land conversion rights Rs'000	Franchise Rs'000	Milling rights Rs'000	Others Rs'000	Total Rs'000
COST								
At July 1, 2015	288,653	694,583	153,079	157,707	13,448	153,314	163,900	1,624,684
Acquisition through business combination	-	44,046	-	-	-	-	-	44,046
Additions	19,510	-	15,850	2,490	-	-	-	37,850
Disposals	(7,409)	-	-	-	-	-	-	(7,409)
Impairment	-	(9,103)	-	-	-	-	-	(9,103)
Deconsolidation of subsidiaries	-	(1,700)	-	-	-	-	(200)	(1,900)
Translation difference	100	-	-	-	-	-	300	400
Transfer to investment properties (note 6)	-	-	-	(106,494)	-	-	-	(106,494)
Transfer to inventories (stock of land)	-	-	-	(27,890)	-	-	-	(27,890)
At June 30, 2016	**300,854**	**727,826**	**168,929**	**25,813**	**13,448**	**153,314**	**164,000**	**1,554,184**
AMORTISATION								
At July 1, 2015	223,079	(10,500)	61,528	-	2,469	68,194	8,710	353,480
Charge for the year	25,374	-	21,276	-	845	-	1,200	48,695
Disposals adjustments	(5,260)	-	-	-	-	-	-	(5,260)
Deconsolidation of subsidiaries	-	-	-	-	-	-	(200)	(200)
Translation difference	-	-	-	-	-	-	(600)	(600)
At June 30, 2016	**243,193**	**(10,500)**	**82,804**	**-**	**3,314**	**68,194**	**9,110**	**396,115**
NET BOOK VALUES								
At June 30, 2016	**57,661**	**738,326**	**86,125**	**25,813**	**10,134**	**85,120**	**154,890**	**1,158,069**

YEAR ENDED JUNE 30, 2017

Notes to the
financial statements

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(iii) Other intangibles comprise mainly of government lease ("pas-geometriques") which are amortised over a period of 60 years.

(iv) Amortisation charge has been included in other operating expenses.

(v) Goodwill of Rs.3.3m arising from the acquisition of subsidiaries is attributable to acquired customer base and synergies expected from combining the operations of the group with those of the subsidiaries acquired. Goodwill acquired through business combination have indefinite lives and have been allocated to cash generating units for impairment testing.

The recoverable amounts of the goodwill have been assessed based either on the fair value of the cash-generating units determined by external valuers at June 30, 2017 or on the basis of expected cash flows. The fair value of some of the cash generating units was determined on the basis of capitalisation of earnings whereby a multiple is applied to the investee's adjusted pro-forma earnings. The fair value of other cash generating units was determined on the basis of expected future cash flows from latest management forecasts which were extrapolated on the basis of long term revenue growth rates and assumptions with regard to margin development and discounted for the capital costs of business unit. Following this exercise, impairment of Rs.5.3m was recognised during the year (2016: Rs.9.1m) due to decline in performance of a particular subsidiary.

(c) THE COMPANY

	2017	2016
(i) **Computer software**	**Rs'000**	Rs'000
COST		
At July 1, 2016	**3,872**	**3,872**
AMORTISATION		
At July 1,	3,847	3634
Charge for the year	13	213
At June 30,	**3,860**	**3,847**
NET BOOK VALUES		
At June 30, 2017	**12**	**25**

(d) **Critical accounting estimates**

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in paragraph(a). These calculations require the use of estimates.

Impairment of milling rights

Milling rights are tested annually for impairment. Future cash flows expected to be received are projected, taking into account market conditions. The present value of these cash flows, determined using an appropriate discount rate, is compared with the carrying amount of the intangible assets and, if lower, the assets are impaired to their present values. Assumptions and estimates are used in assessing the cash flows to be received.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) Accounting policy

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 the individual investments.

Consolidated financial statements

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when it is exposed, 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 consolidated from the date control is transferred to the group and de-consolidated from the date that control ceases.

The acquisition method is used to account for business combinations by the group. The consideration 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 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 value on acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The excess of the consideration over 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 the consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as bargain purchase.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation. The accounting policies of subsidiary companies have been amended where necessary to ensure consistency with the policies adopted by the group.

Foreign subsidiaries

On consolidation, the assets and liabilities of the group's overseas entities are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences, if any, are classified as other comprehensive income. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of. 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.

Transactions with non-controlling interests

The group accounts for 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 of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiary companies

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or 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 or liabilities. Amounts previously recognised in other comprehensive income are reclassified to profit or loss.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9 INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b)

	2017				2016
	Official market	**DEM listed**	**Unquoted**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
THE COMPANY					
At July 1,	**13,662,017**	**-**	**715,965**	**14,377,982**	13,937,511
Additions	**-**	**-**	**47,767**	**47,767**	35,601
Transfer to non-current assets classified as held for sale (note 19)	**-**	**-**	**(127,700)**	**(127,700)**	-
Fair value adjustments	**327,735**	**-**	**-**	**327,735**	404,870
At June 30,	**13,989,752**	**-**	**636,032**	**14,625,784**	14,377,982

The fair value of investments in subsidiary companies was determined at June 30, 2017 by independent valuers. The valuation was based on a combination of adjusted net assets, capitalised earnings, discounted cash flow basis and recent transactions.

(c) Investments included in level 1 comprise of quoted equity investments valued at their closing market prices. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

The company's investments in subsidiary companies are categorised as follows:

	2017	2016
	Rs'000	Rs'000
Level 3	**14,625,784**	14,377,982

(d) The changes in level 3 instruments for the year ended June 30, 2017 and 2016 were as follows:

	2017	2016
	Rs'000	Rs'000
At July 1,	**14,377,982**	13,937,511
Additions	**47,767**	35,601
Fair value adjustments	**327,735**	-
Transfer to non-current assets classified as held for sale (note 19)	**(127,700)**	404,870
At June 30,	**14,625,784**	14,377,982

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2017 and 2016 were as follows:

	2017				
		Proportion of ownership interest			
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests
	Rs '000	%	%	%	%
Corporate office:					
ENL Portfolio Managers Limited	25	100.00	-	100.00	-
ENL Foundation	1	25.00	75.00	74.87	25.13
ENL Corporate Services Limited	5,500	100.00	-	100.00	-
Turbine Incubator Limited	1	100.00	-	100.00	-
Land and investments:					
ENL Corporate Ventures Limited	7,600	26.32	73.68	77.21	22.79
ENL Finance Limited	800,000	100.00	-	100.00	-
ENL Land Ltd	7,186	52.88	16.19	69.07	30.93
Fleet Investment Supply and Husbandry Ltd	-	-	100.00	41.38	58.62
Rogers Corporate Services Ltd (re-allocated between various clusters)	289,431	-	100.00	41.38	58.62
Rogers Hospitality Ltd (i)	-	-	100.00	41.38	58.62
Rogers & Co Ltd (re-allocated between various clusters)	1,260,200	-	59.73	41.38	58.62
Rogers Consolidated Shareholding Limited	16,860	-	100.00	69.07	30.93
Societé Reunion	8,620	-	100.00	61.33	38.67
Tambourissa Limited	581,152	-	100.00	69.07	30.93
FinTech:					
Rogers Capital Nominee 2 Ltd	-	-	100.00	20.94	79.06
Rogers Capital City Executives Ltd	50	-	100.00	20.94	79.06
Rogers Capital Outsourcing Ltd	15,000	-	100.00	20.94	79.06
Rogers Capital Technology Services Ltd	15,977	-	100.00	20.94	79.06
Enterprise Information Systems Ltd (Kenya)	-	-	100.00	20.94	79.06
Rogers Capital Accounting Services Ltd	-	-	100.00	20.94	79.06
Rogers Capital Actuarial Services Ltd (i)	1,100	-	100.00	20.94	79.06
Rogers Capital Business Services Ltd	-	-	100.00	20.94	79.06
Rogers Capital Corporate Services (Singapore) Pte Ltd	238	-	100.00	20.94	79.06
Rogers Capital Corporate Services Ltd	782	-	100.00	20.94	79.06
Rogers Capital Finance Ltd (i)	1	-	100.00	20.94	79.06
Rogers Capital Nominee Ltd	-	-	100.00	20.94	79.06
Rogers Capital Fund Services Ltd	500	-	100.00	20.94	79.06
Rogers Capital Nominee 1 Ltd	-	-	100.00	20.94	79.06
Rogers Capital Captive Insurance Management Services Ltd	2,215	-	100.00	20.94	79.06
Rogers Capital Specialist Services Ltd	100	-	100.00	20.94	79.06
River Court Administrators Limited (iii)	N/A	N/A	N/A	N/A	N/A
River Court Nominees Limited	100	-	100.00	20.94	79.06
Rogers Capital Payroll Services Ltd (i)	10	-	100.00	20.94	79.06
Rogers Capital Trustees Services Ltd	1,400	-	100.00	20.94	79.06
Rogers Capital Investment Advisors Ltd	8,000	-	100.00	20.94	79.06
Rogers Capital Ltd	449,739	22.00	51.00	43.34	56.66
Rogers Capital Wealth Management Ltd	601	-	100.00	20.94	79.06

2016					
Proportion of ownership interest					
Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Debt Securities	Main business
%	%	%	%	Rs' 000	
100.00	-	100.00	-	-	Dormant
25.00	75.00	74.97	25.03	-	CSR
100.00	-	100.00	-	-	Service provider
N/A	N/A	N/A	N/A	-	Business incubator (non-profit making company)
26.32	73.68	77.36	22.64	-	Corporate venture fund
100.00	-	100.00	-	-	Investment holding
52.88	16.40	69.28	30.72	-	Investment holding
-	100.00	41.38	58.62	-	Dormant
-	100.00	41.38	58.62	-	Dormant
-	-	-	-	-	Dormant
-	59.73	41.38	58.62	-	Investment holding
-	100.00	69.28	30.72	-	Investment holding
-	100.00	61.33	38.67	-	Investment holding
-	100.00	69.28	30.72	-	Investment holding
-	100.00	17.63	82.37	-	Global business
-	100.00	17.63	82.37	-	Global business
-	100.00	41.38	58.62	-	IT services
-	100.00	41.38	58.62	-	IT services
-	100.00	41.38	58.62	-	IT services
-	100.00	17.38	82.62	-	Global business
-	-	-	-	-	Actuarial services
-	100.00	17.38	82.62	-	Global business
-	70.00	17.38	82.62	-	Global business
-	70.00	17.63	82.37	-	Global business
-	-	-	-	-	Dormant
-	100.00	17.63	82.37	-	Global business
-	100.00	17.63	82.37	-	Global business
-	100.00	17.63	82.37	-	Global business
-	100.00	17.38	82.62	-	Global business
-	70.00	17.38	82.62	-	Global business
-	100.00	17.63	82.37	-	Global business
-	100.00	17.63	82.37	-	Global business
-	-	-	-	-	Payroll services
-	100.00	17.63	82.37	-	Global business
-	100.00	24.83	75.17	-	Asset management
40.00	60.00	64.83	35.17	-	Investment holding
-	100.00	24.83	75.17	-	Investment holding

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2017 and 2016 were as follows (cont'd):

	2017				
		Proportion of ownership interest			
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests
	Rs '000	%	%	%	%
Commerce and industry:					
Axess Limited	150,000	-	100.00	61.33	38.67
Box Manufacturing Company Limited	6,543	-	100.00	61.33	38.67
Charabia Ltd (v)	N/A	N/A	N/A	N/A	N/A
Cogir Limitée	8,000	-	100.00	69.07	30.93
ENL Commercial Limited	177,960	51.69	9.63	61.33	38.67
Grewals (Mauritius) Limited	89,932	-	100.00	61.33	38.67
Grewals Rodrigues Ltd (iv)	N/A	N/A	N/A	N/A	N/A
Indoor & Outdoor Living Ltd (previously known as L'Epongerie Limitée) (v)	2,500	-	99.99	61.33	38.67
Nabridas International Ltd	100	-	100.00	61.33	38.67
Nabridas Ltd	25	-	100.00	61.33	38.67
Pack Plastics Limited (v)	N/A	N/A	N/A	N/A	N/A
Packestate Limited	1,278	-	100.00	61.33	38.67
Plaine des Papayes Properties Limited	18,001	-	100.00	61.33	38.67
Plastinax Austral Limitée	189,467	-	99.40	60.96	39.04
Rennel Limited	7,900	-	100.00	61.33	38.67
Freight Link Limited	1	-	100.00	61.33	38.67
Logistics:					
Associated Container Services Ltd	18,301	-	100.00	27.60	72.40
Cargo Express Madagascar S.A.R.L	168	-	100.00	27.39	72.61
Express Logistics Solutions Ltd (i)	1	-	100.00	27.39	72.61
FOM Warehouse Ltd	100	-	100.00	34.34	65.66
Freeport Operations (Mtius)Ltd	133,447	-	100.00	27.02	72.98
General Cargo Services Limited	889	-	100.00	13.99	86.01
Gencargo (Transport) Limited	1,422	-	80.00	11.17	88.83
Logistics Solution Ltd	360,483	-	100.00	27.60	72.40
MTL Logistics & Distributions Ltd	1,688	-	100.00	27.60	72.40
P.A.P.O.L.C.S. Ltd	100	-	80.00	13.16	86.84
Papol Holding Limited	100	-	60.00	16.43	83.57
Rogers International Distribution Services Limitada	63	-	100.00	27.39	72.61
Rogers International Distribution Services S.A	43,655	-	100.00	27.39	72.61
Rogers International Distribution Services S.A.R.L	8	-	100.00	27.39	72.61
Rogers Logistics International Ltd	2,358	-	100.00	27.39	72.61
Rogers Logistics Services Company Ltd	100	-	100.00	27.39	72.61

2016					
Proportion of ownership interest					
Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Debt Securities	Main business
%	%	%	%	Rs' 000	
-	100.00	61.33	38.67	-	Sale and servicing of motor vehicles
-	100.00	61.32	38.68	-	Manufacture of carton boxes
-	100.00	61.33	38.67	-	Provision of interior decorating services
-	99.97	65.61	34.39	-	Construction
51.69	9.63	61.33	38.67	-	Investment holding
-	100.00	61.33	38.67	-	Saw millers and timber merchants
-	100.00	61.33	38.67	-	Dormant
-	100.00	61.33	38.67	-	Supply of towels and other related products
-	100.00	61.33	38.67	-	Dealer in swimming pools
-	100.00	61.33	38.67	-	Producer and dealer in swimming pools
-	99.99	61.32	38.68	-	Manufacture and sales of indoor and outdoor
-	100.00	61.33	38.67	-	Rental of industrial buildings
-	100.00	61.33	38.67	-	Rental of industrial buildings
-	99.40	60.96	39.04	10,000	Manufacture of sunglasses
-	100.00	61.33	38.67	-	Courier service
-	100.00	61.33	38.67	-	Courier service
-	100.00	27.60	72.40	-	Port related services
-	100.00	27.39	72.61	-	Freight forwarding
-	-	-	-	-	Dormant
-	100.00	34.34	65.66	-	Port related services
-	100.00	27.02	72.98	-	Port related services
-	100.00	13.99	86.01	-	Port related services
-	80.00	11.17	88.83	-	Transport services
-	100.00	27.60	72.40	-	Investment holding
-	100.00	27.39	72.61	-	Transport company
-	80.00	13.16	86.84	-	Stevedoring
-	60.00	16.43	83.57	-	Investment holding
-	100.00	27.39	72.61	-	Freight forwarding
-	100.00	27.39	72.61	-	Freight forwarding
-	100.00	27.39	72.61	-	Freight forwarding
-	100.00	27.39	72.61	-	Freight forwarding
-	100.00	27.39	72.61	-	Freight forwarding

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Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2017 and 2016 were as follows (cont'd):

	2017				
		Proportion of ownership interest			
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests
	Rs '000	%	%	%	%
Logistics:					
Rogers Shipping Ltd	721	-	100.00	18.83	81.17
Rogers Shipping Pte Ltd	3	-	51.00	13.99	86.01
Société du Port	207,223	-	100.00	41.38	58.62
Southern Marine & Co Ltd	500	-	100.00	18.83	81.17
Sukpak Ltd	1,200	-	70.00	19.20	80.80
Thermoil Company Ltd	100	-	80.00	33.10	66.90
Transworld International Ltd	25	-	100.00	27.39	72.61
Velogic Depot and Warehouse Ltd	300	-	100.00	27.39	72.61
Velogic Express Reunion (i)	8,341	-	100.00	27.39	72.61
Velogic Garage Services Ltd	50	-	100.00	22.10	77.90
Velogic Haulage Services Ltd (i)	975	-	80.00	22.10	77.90
Velogic Holding Company Ltd	1,019,294	-	66.20	27.39	72.61
Velogic India Private Ltd	11,156	-	100.00	27.39	72.61
Velogic Ltd	83,985	-	100.00	27.39	72.61
Velogic Sea Frigo R'Frigo S.A	4,085	-	100.00	27.39	72.61
VK Logistics Ltd	163,814	-	51.00	13.99	86.01
Hospitality:					
Adnarev Ltd	76,464	-	100.00	32.27	67.73
Ario (Seychelles) Ltd	47	-	100.00	41.38	58.62
BEAVIA Kenya Limited	36	-	70.00	28.96	71.04
Blue Alize Ltd	-	-	80.00	33.10	66.90
Blue Sky Réunion SAS	2,813	-	100.00	41.38	58.62
BS Travel Management Limitada	216	-	100.00	41.38	58.62
BS Travel Management Ltd	25,000	-	100.00	41.38	58.62
BS Travel Mayotte	325	-	100.00	41.38	58.62
Croisières Australes Ltée	3,225	-	100.00	41.38	58.62
GSAfrica Airline Services (pty) Ltd	6,509	-	100.00	41.38	58.62
Heritage Events Company Limited	100	-	100.00	32.27	67.73
Heritage Golf Club Ltd	310,350	-	100.00	26.65	73.35
Plaisance Air Transport Services Ltd	1,500	-	100.00	41.38	58.62
Resaplanet Ltd	789	-	90.50	37.45	62.55
Rogers Aviation (Mauritius) Ltd	2,525	-	100.00	41.38	58.62
Rogers Aviation Comores S.A.R.L	824	-	100.00	41.38	58.62
Rogers Aviation France S.A.R.L	20,760	-	100.00	41.38	58.62
Rogers Aviation Holding Company Ltd	115,410	-	100.00	41.38	58.62
Rogers Aviation International Ltd	51,390	-	100.00	41.38	58.62
Rogers Aviation Kenya Ltd	396	-	100.00	41.38	58.62
Rogers Aviation Madagascar S.A.R.L	1,910	-	100.00	41.38	58.62
Rogers Aviation Mayotte S.A.R.L	490	-	100.00	41.38	58.62
Rogers Aviation Mozambique Limitada	54	-	100.00	41.38	58.62

2016					
Proportion of ownership interest					
Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Debt Securities	Main business
%	%	%	%	Rs' 000	
-	100.00	18.83	81.17	-	Freight forwarding
-	51.00	13.99	86.01	-	Shipping agency
-	100.00	41.38	58.62	-	Investment holding
-	100.00	18.83	81.17	-	Shipping services
-	70.00	19.20	80.80	-	Packing of special sugars
-	80.00	33.10	66.90	-	Bitumen agency
-	100.00	27.39	72.61	-	Dormant
-	100.00	27.39	72.61	-	Dormant
-	-	-	-	-	Courier
-	100.00	22.10	77.90	-	Transport company
-	-	-	-	-	Transport services
-	66.20	27.39	72.61	-	Investment holding
-	100.00	27.39	72.61	-	Freight forwarding
-	100.00	27.39	72.61	-	Management services
-	100.00	27.39	72.61	-	Freight forwarding
-	51.00	13.99	86.01	-	Investment holding
-	100.00	31.45	68.55	-	Hotel
-	100.00	41.38	58.62	-	GSA of airlines
-	70.00	28.96	71.04	-	Travel agency
-	60.50	29.17	70.83	-	Catamaran sightseeing tours
-	100.00	41.38	58.62	-	Travel agency
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	Travel agency
-	100.00	41.38	58.62	-	Travel agency
-	75.70	31.32	68.68	-	Catamaran sightseeing tours
-	100.00	41.38	58.62	-	GSA Of Airlines
-	100.00	31.45	68.55	-	Investment holding
-	100.00	26.11	73.89	-	Golf course
-	100.00	41.38	58.62	-	Warehousing
-	80.50	33.31	66.69	-	Online tour operating
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	Investment holding
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2017 and 2016 were as follows (cont'd):

	2017				
		Proportion of ownership interest			
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests
	Rs '000	%	%	%	%
Hospitality:					
Case Noyale Ltée	7	-	53.60	15.43	84.57
Rogers Aviation Reunion	20,001	-	100.00	41.38	58.62
Rogers Aviation Senegal S.A.R.L	-	-	100.00	41.38	58.62
Rogers Aviation South Africa (PTY) Ltd	524	-	100.00	41.38	58.62
Seven Colours Spa Ltd	20,025	-	100.00	32.27	67.73
Transcontinent S.A.R.L	617	-	66.60	27.56	72.44
Travelia S.A.R.L	461	-	90.50	37.45	62.55
Veranda Tamarin Ltd (i)	160,000	-	51.00	16.47	83.53
VLH Holding Ltd (ii)	N/A	N/A	N/A	N/A	N/A
VLH Ltd	278,329	-	81.00	32.27	67.73
VLH Training Ltd	1,015	-	100.00	32.27	67.73
Yatch Management Ltd	10	-	51.00	21.10	78.90
Bagatelle Hotel Operations Company Limited	20,424	-	66.67	66.66	33.34
CCC LAH Limited	14,500	-	86.21	86.21	13.79
ENL Lifestyle Limited	60,604	100.00	-	100.00	-
Seafood Basket Limited	25,107	-	66.67	66.66	33.34
Agro-industry:					
Agrex Limited	7,540	-	100.00	69.07	30.93
Cie. Sucrière de Bel Ombre Ltd	33,300	-	53.50	15.43	84.57
ENL Agri Ltd	430,000	-	100.00	69.07	30.93
Enquickfix Limited	1,201	-	100.00	69.07	30.93
ESP Landscapers Ltd	10,000	-	87.45	58.33	41.67
Exotiflors Limited	7,000	-	100.00	69.07	30.93
Mon Desert Alma Sugar Milling Company Limited	83,934	-	80.00	55.26	44.74
Sygeco Limited	801	-	100.00	69.07	30.93
The Savannah Sugar Milling Company Limited	138,188	-	80.00	55.26	44.74
Property:					
Ascencia Limited	3,699,506	-	69.41	35.97	64.03
Bagaprop Limited	1,252,101	-	85.00	14.11	85.89
Commercial Investment Property Fund Limited (i)	11,230	-	100.00	61.33	38.67
Enatt Ltd	74,789	-	58.42	34.42	65.58
ENL House Limited	147,240	8.83	91.17	71.80	28.20
ENL Property Limited	2,464,336	-	100.00	69.07	30.93
Enstyle Management Limited	1,763	100.00	-	100.00	-
Envolt Ltd (i)	1	-	100.00	69.07	30.93
Espral International Ltd	9,900	-	100.00	58.33	41.67
Espral Limited	31,000	-	87.45	58.33	41.67
Foresite Property Holding Ltd	1,028,269	-	100.00	41.38	58.62
FPHL Infra Ltd	27,531	-	100.00	55.44	44.56

2016					
Proportion of ownership interest					
Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Debt Securities	Main business
%	%	%	%	Rs' 000	
-	53.60	15.43	84.57	-	Investment holding
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	41.38	58.62	-	GSA of airlines, travel agency and tour operator
-	100.00	41.38	58.62	-	GSA of airlines
-	100.00	31.45	68.55	-	Management services
-	66.60	27.56	72.44	-	Travel agency
-	80.50	33.31	66.69	-	Online tour operating
-	-	-	-	-	Hotel
-	76.00	31.45	68.55	-	Property
-	100.00	31.45	68.55	-	Hotel
-	100.00	31.45	68.55	-	Management services
-	51.10	15.97	84.03	-	Boat cruises
-	67.74	67.74	32.26	-	Provision of hotel and hospitality services
-	78.95	78.95	21.05	-	Restaurant operator
100.00	-	100.00	-	-	Investment holding
-	66.67	66.67	33.33	-	Restaurant operator
-	100.00	69.28	30.72	-	Sale of agro-supply products
-	53.50	15.43	84.57	-	Agriculture & investment
-	100.00	69.28	30.72	-	Agricultural activities
-	100.00	69.28	30.72		Dormant
-	87.45	58.50	41.50	-	Landscaping services
-	100.00	69.28	30.72	-	Dormant
-	80.00	55.42	44.58	-	Agricultural activities
-	100.00	69.28	30.72		Provision of syndic services
-	80.00	55.42	44.58	-	Dormant
-	69.96	37.10	62.90	-	Property Fund
-	85.00	14.23	85.77	-	Property
-	-	-	-	560,000	Owner of properties
-	58.42	34.52	65.48	-	Property and asset management
8.83	91.17	71.99	28.01	-	Owner of properties
-	100.00	69.28	30.72	-	Property development services
100.00	-	100.00	-	-	Management of IRS
-	-	-	-	-	Producer of electricity
-	100.00	58.50	41.50	-	Real estate marketing
-	87.45	58.50	41.50	-	Land development services
-	100.00	41.38	58.62	-	Property
-	100.00	55.61	44.39	-	Dormant

YEAR ENDED JUNE 30, 2017

Notes to the
financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2017 and 2016 were as follows (cont'd):

	2017				
		Proportion of ownership interest			
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests
	Rs '000	%	%	%	%
Property:					
Gardens of Bagatelle Ltd	245,446	-	100.00	16.63	83.37
Le Marche du Moulin Ltd	1	-	100.00	9.27	90.73
Le Floreal Commercial Centre Limited	240,000	-	100.00	52.49	47.51
Le Sunset Commercial Limited	80,000	-	100.00	69.07	30.93
Les Villas de Bel Ombre Ltée	291,135	-	100.00	36.98	63.02
Mall of Mauritius	1,255,630	-	100.00	62.12	37.88
Moka City Ltd (i)	927	-	100.00	69.07	30.93
MDA Properties Ltd	534,197	-	50.11	34.61	65.39
Minissy Developments Limited	948,000	-	84.70	50.09	49.91
Motorcity Ltd	151,675	-	100.00	62.12	37.88
Motor Traders Ltd	500	-	100.00	41.38	58.62
Reliance Facilities Ltd	25,000	-	100.00	55.44	44.56
Reliance Security Services Ltd	49,539	-	100.00	55.44	44.56
Reliance Systems Ltd	-	-	100.00	55.44	44.56
S&W Synergy Ltd	44,750	11.17	73.74	44.40	55.60
Savannah Properties Ltd	1	-	100.00	69.07	30.93
Societé Du Courlis	7,000	-	100.00	69.07	30.93
South West Tourism Development Co. Ltd	4,950	-	70.90	28.51	71.49
The Old Factory Limited	70,435	-	100.00	69.07	30.93
Valetta Locoshed Offices Ltd	10,575	-	100.00	69.07	30.93
Villas Valriche Resorts Ltd	1	-	100.00	9.27	90.73

(i) These are new subsidiaries which have been incorporated or acquired during the year.

(ii) VLH Holding Ltd has amalgamated with VLH Ltd, with VLH Ltd remaining as the amalgamated company.

(iii) River Court Administrators Limited has amalgamated with Rogers Capital Corporate Services Ltd, with Rogers Capital Corporate Services Ltd remaining as the amalgamated company.

(iv) The investment in Grewals Rodrigues Limited has been derecognised during the year.

(v) Pack Plastics Limited and Charabia Ltd amalgamated with Indoor & Outdoor Living Ltd (formerly L'Epongerie Limitée), with Indoor & Outdoor Living Ltd remaining as the amalgamated company.

2016					
Proportion of ownership interest					
Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Debt Securities	Main business
%	%	%	%	Rs' 000	
-	100.00	16.76	83.24	-	Property
-	100.00	9.27	90.73	-	Retail
-	100.00	53.19	46.81	-	Property
-	100.00	69.28	30.72	-	Real estate and property developer
-	100.00	36.98	63.02	-	Construction and sale of villas
-	100.00	62.30	37.70	-	Land and property developer
-	-	-	-	-	Land and property developer
-	50.11	34.71	65.29	-	Land and property developer
-	84.70	50.24	49.76	-	Land and property developer
-	100.00	62.30	37.70	-	Property
-	100.00	41.38	58.62	-	Property
-	100.00	55.61	44.39	-	Dormant
-	100.00	55.61	44.39	-	Dormant
-	100.00	55.61	44.39	-	Dormant
11.17	73.74	44.50	55.50	-	Management of sports complex
-	100.00	69.28	30.72	-	Land and property developer
-	100.00	69.28	30.72	-	Rental of bungalows
-	70.90	28.51	71.49	-	Investment holding
-	100.00	69.28	30.72	-	Rental of offices
-	100.00	69.28	30.72	-	Rental of offices
-	100.00	9.27	90.73	-	Rental pool management company

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The above subsidiary companies are incorporated and operate in Mauritius, except for:

	COUNTRY OF INCORPORATION
Ario (Seychelles) Ltd	Republic of Seychelles
BEAVIA Kenya Limited	Republic of Kenya
Blue Sky Réunion SAS	Reunion Island
BS Travel Management Limitada	Republic of Mozambique
BS Travel Mayotte	Mayotte
Cargo Express Madagascar S.A.R.L.	Republic of Malagasy
Enterprise Information Systems Ltd (Kenya)	Republic of Kenya
Gencargo (Transport) Limited	Republic of Kenya
General Cargo Services Limited	Republic of Kenya
GSAfrica Airline Services (Pty) Ltd	Republic of South Africa
Rogers Aviation Comores S.A.R.L.	Republic of Comores
Rogers Aviation France S.A.R.L.	Reunion Island
Rogers Aviation Kenya Ltd	Republic of Kenya
Rogers Aviation Madagascar S.A.R.L.	Republic of Malagasy
Rogers Aviation Mayotte S.A.R.L.	Mayotte
Rogers Aviation Mozambique Limitada	Republic of Mozambique
Rogers Aviation Senegal S.A.R.L.	Republic of Senegal
Rogers Aviation South Africa (Pty) Ltd	Republic of South Africa
Rogers Capital Corporate Services (Singapore) Pte Ltd	Republic of Singapore
Rogers International Distribution Services Limitada	Republic of Mozambique
Rogers International Distribution Services Madagacar S.A.R.L.U	Republic of Malagasy
Rogers International Distribution Services S.A.	French Republic
Rogers Shipping Pte Ltd	Republic of Singapore
Transcontinent S.A.R.L.	Republic of Malagasy
Travelia S.A.R.L	Reunion Island
Velogic Express Reunion	Reunion Island
Velogic India Private Ltd	Republic of India
Velogic Sea Frigo RTrigo SA	Reunion Island

(g) **Subsidiary companies with material non-controlling interests**

Details of subsidiary companies that have non-controlling interests that are material to the entity are given below:

	Profit allocated to non-controlling shareholders	**Accumulated non-controlling interests at June 30,**
	Rs'000	**Rs'000**
2017		
ENL Land Limited	**822,640**	**18,973,947**
2016		
ENL Land Limited	395,113	17,489,894

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) **Summarised financial information on subsidiaries with material non-controlling interests**

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling shareholders
2017	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
ENL Land Limited	**5,603,022**	**52,203,709**	**8,101,724**	**12,233,679**	**10,697,050**	**1,397,372**	**1,287,250**	**2,684,622**	**(269,550)**
2016									
ENL Land Limited	6,941,041	47,683,320	7,858,584	11,465,402	6,330,481	635,853	(47,038)	588,815	(209,654)

(ii) Summarised cash flow information:

	Operating activities	Investing activities	Financing activities	Net decrease in cash and cash equivalents
2017	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
ENL Land Limited	**1,537,745**	**(1,780,480)**	**(215,056)**	**(457,791)**
2016				
ENL Land Limited	1,105,976	(2,092,362)	857,079	(129,307)

The summarised financial information provided above is inclusive of intra-group transactions.

(i) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the group using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Impairment of investments in subsidiary companies

The group follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES

(a) Accounting policy

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 the individual investments.

Consolidated financial statements

An associated company 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 associated companies are accounted for under the equity method.

The group's investments in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Investments in associated companies are initially recognised at cost as adjusted for post acquisition changes in the group's share of the net assets of the associated companies less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the group's share of the net fair value of the associated company's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill and 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 is included in profit or loss.

When the group's share of losses exceeds its interest in an associated company, the group discontinues recognising further losses unless it has legal or constructive obligations or made payments on behalf of the associated company.

The results of associated companies acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interests in the associated company. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associated companies to bring the accounting policies used in line with those adopted by the group.

If the ownership in an associated company 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 on investments in associated companies are recognised in profit or loss.

(b) THE GROUP

	2017	2016
	Rs'000	Rs'000
At July 1,	**8,083,922**	7,583,795
Additions	**558,218**	934,412
Disposals	**(19,562)**	(112,690)
Transfer to investment in other financial assets (note 12(b)(i))	**(19,600)**	-
Share of profits less losses of associated companies	**120,538**	363,660
Movement in net assets of associated companies	**(144,400)**	(685,255)
At June 30,	**8,579,116**	8,083,922

The group follows the guidance of IAS 39 as described in note 10(h) in determining whether an investment is other-than-temporarily impaired. Following this exercise, no impairment has been made during the year (2016: Rs.nil).

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The group's interests in its associated companies are as follows:

			2017			2016			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	**Country of incorporation**	**Holding company**	**Subsidiary companies**	**Effective holding**	Holding company	Subsidiary companies	Effective holding	Principal activity
Agro-industry:			**%**	**%**	**%**	%	%	%	
Avipro Co Ltd	June 30,	Mauritius	**-**	**30.71**	**26.94**	-	30.71	27.02	Poultry farming and food processing
Bioculture (Mauritius) Ltd	Dec 31,	Mauritius	**-**	**14.38**	**10.51**	-	25.38	6.77	Breeding and export of primates
Charles Telfair Ltd	June 30,	Mauritius	**-**	**25.00**	**12.65**	-	22.26	10.13	Tertiary education
Management and Development Company Limited	June 30,	Mauritius	**-**	**39.00**	**26.94**	-	39.00	27.02	Investment holding
Société Amstramdram	June 30,	Mauritius	**-**	**48.98**	**33.83**	-	48.98	33.93	Investment holding
Sun Souvenir Limited (i)	June 30,	Mauritius	**25.00**	**-**	**25.00**	25.00	-	25.00	Dormant
Commerce and industry:									
Blue Frog Limited	June 30,	Mauritius	**-**	**18.18**	**12.56**	-	45.45	23.88	Procurement management
Construction & Development Ltd	June 30,	Mauritius	**-**	**50.00**	**34.54**	-	50.00	32.81	Construction
We SimplyFile Ltd (formerly Docufile Ltd)	June 30,	Mauritius	**-**	**35.00**	**21.46**	-	35.00	21.46	Document management solutions
Formation Recrutement et Conseil en Informatique Limitee	June 30,	Mauritius	**-**	**48.35**	**29.65**	-	48.35	29.65	Provider of IT services
Hyperdist (I.O)	Dec 31,	Mauritius	**-**	**45.00**	**27.60**	-	45.00	27.60	Dormant
Interex S.A.	June 30,	Madagascar	**-**	**50.00**	**30.66**	-	50.00	30.66	Courier services
Joinery and Metal Distribution International Ltd	June 30,	Mauritius	**-**	**50.00**	**30.66**	-	50.00	30.66	Distributor of aluminium products
Mauritian Coal and Allied Services Company Ltd	Sep 30,	Mauritius	**-**	**25.62**	**10.59**	-	25.62	10.60	Coal supplier
Retail Lab Ltd	June 30,	Mauritius	**-**	**50.00**	**17.21**	-	50.00	17.26	Marketing activities
Sainte Marie Crushing Plant Ltd	June 30,	Mauritius	**-**	**23.53**	**3.64**	-	23.53	3.63	Manufacture and sale of building materials
Superdist Ltd	Dec 31,	Mauritius	**-**	**45.00**	**27.60**	-	45.00	27.60	IT hardware wholesaler
Sud Concassage Limitée	June 30,	Mauritius	**-**	**25.00**	**17.27**	-	25.00	17.32	Production of building materials
Indian Ocean Network News Ltd	Dec 31,	Mauritius	**-**	**27.03**	**11.18**	-	-	-	Media and communication

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The group's interests in its associated companies are as follows (cont'd):

			2017			2016			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	**Country of incorporation**	**Holding company**	**Subsidiary companies**	**Effective holding**	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	**%**	**%**	%	%	%	
Property:									
B.R.E Ltd	June 30,	Mauritius	**-**	**29.79**	**20.58**	-	29.79	20.64	Property
Etwaro and Associates	June 30,	Mauritius	**-**	**30.00**	**20.72**	-	30.00	20.78	Quantity surveying and project management services
Footfive Limited	June 30,	Mauritius	**-**	**25.00**	**17.27**	-	25.00	17.32	Rental of gymnasium
Le Morne Development Corporation Ltd	Sep 30,	Mauritius	**-**	**20.00**	**8.28**	-	20.00	8.28	Property
Molinea Ltd	June 30,	Mauritius	**-**	**50.00**	**34.54**	-	50.00	34.64	Property developer
Hospitality:									
Air Cargo Service Madagascar Ltd	Dec 31,	Madagascar	**-**	**50.00**	**20.69**	-	50.00	20.69	Ground handling services
Blue Connect Ltd	Sep 30,	Mauritius	**-**	**30.00**	**12.41**	-	30.00	12.41	Business process outsourcing outsourcing
Lagoona Cruise Ltd	June 30,	Mauritius	**-**	**33.00**	**13.65**	-	33.00	13.65	Boat cruises activities
Mautourco Ltd	Sep 30,	Mauritius	**-**	**49.00**	**20.28**	-	49.00	20.28	Vehicle rental and tours
Mozambique Airport Handling Services Limitada	Sep 30,	Mozambique	**-**	**29.00**	**12.00**	-	29.00	12.00	Ground handling services
New Mauritius Hotels Limited	Sep 30,	Mauritius	**-**	**35.30**	**18.08**	-	29.87	15.32	Hospitality
Société Grande Castagnole	Sep 30,	Mauritius	**-**	**49.00**	**20.28**	-	49.00	20.28	Investment
Société Pur Blanca	Sep 30,	Mauritius	**-**	**49.00**	**20.28**	-	49.00	20.28	Investment
White Palm Ltd	Sep 30,	Mauritius	**-**	**49.00**	**20.28**	-	49.00	20.28	Vehicle rental and tours
Logistics:									
Island Bulk Carriers Pte Ltd	Dec 31,	Singapore	**-**	**35.00**	**4.92**	-	35.00	4.92	Shipping activities
FinTech:									
Swan Financial Solutions Ltd	Dec 31,	Mauritius	**-**	**20.00**	**8.28**	-	20.00	8.28	Insurance
Swan General Ltd	Dec 31,	Mauritius	**-**	**28.84**	**11.92**	-	28.84	11.93	Insurance

The above associates have been accounted for using the equity method.

For companies with non co-terminous year end, accounts to June 30 have been included in the consolidated financial statements.

(i) These companies have ceased operations.

(ii) As at June 30, 2017, the fair value of the group's interests in New Mauritius Hotels Limited and Swan Insurance Company Limited which are listed on the Stock Exchange of Mauritius were Rs. 3,809.8m and Rs. 745.2m (2016: Rs. 2,922.2m and Rs. 723.1m) respectively based on the quoted market price available.

YEAR ENDED JUNE 30, 2016

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financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(d) **THE COMPANY**

	2017	2016
	Unquoted	Unquoted
	Rs'000	Rs'000
At July 1 and June 30,	**130**	130

(i) The value of the securities was determined at June 30, 2017 by independent valuers based on capitalised earnings. In assessing the fair value of the securities, assumptions have been made on the basis of market conditions existing at the end of each reporting date.

Investments included in level 1 comprise of quoted equity investments valued at their closing market prices. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

The company's investments in associated companies are categorised as follows:

	2017	2016
	Rs'000	Rs'000
Level 3	**130**	130

(ii) The were no changes in level 3 instruments for the year ended June 30, 2017 and June 30, 2016.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(e) Summarised financial information in respect of the group's principal associated companies is set out below:

2017	Year end	Current assets
		Rs'000
Avipro Co Ltd	**June 30,**	**574,685**
Formation Recrutement & Conseil en Informatique Limitée	**June 30,**	**70,206**
Management and Development Company Limited	**June 30,**	**2,475,643**
New Mauritius Hotels Limited	**Sep 30,**	**8,386,800**
Superdist Limited	**Dec 31,**	**222,813**
Swan General Ltd	**Dec 31,**	**3,116,800**
2016		
Avipro Co Ltd	June 30,	530,171
Formation Recrutement & Conseil en Informatique Limitée	June 30,	68,931
Management and Development Company Limited	June 30,	2,374,197
New Mauritius Hotels Limited	Sep 30,	8,945,902
Superdist Limited	Dec 31,	119,071
Swan General Ltd	Dec 31,	3,017,721

(f) **Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of the material associates is set out below:**

2017	Opening net assets at July 1, 2016	Profit for the year	Dividends
Name of company	Rs'000	Rs'000	Rs'000
Avipro Co Ltd	**2,243,042**	**218,549**	**(51,000)**
Formation Recrutement & Conseil en Informatique Limitée	**39,274**	**17,317**	**(13,000)**
Management and Development Company Limited	**2,328,069**	**299,482**	**(65,000)**
New Mauritius Hotels Limited	**13,669,803**	**(724,991)**	**-**
Superdist Limited	**42,219**	**23,485**	**(7,500)**
2016			
Name of company			
Avipro Co Ltd	2,219,848	190,258	(43,059)
Formation Recrutement & Conseil en Informatique Limitée	35,953	13,177	(8,000)
Management and Development Company Limited	2,112,595	442,695	(30,360)
New Mauritius Hotels Limited	14,333,587	(278,103)	(159,809)
Superdist Limited	38,342	15,941	(12,000)

Non-current assets	Current liabilities	Non-current liabilities	Revenues	Profit/(loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year
Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2,746,585	**363,239**	**500,763**	**2,206,259**	**218,549**	**(15,008)**	**203,541**
61,801	**37,597**	**49,052**	**209,731**	**17,317**	**(989)**	**16,328**
5,338,574	**1,700,220**	**1,192,307**	**8,958,044**	**299,482**	**(64,357)**	**235,125**
27,587,700	**8,258,000**	**15,498,200**	**9,510,500**	**(724,991)**	**206,800**	**(518,191)**
1,593	**165,208**	**1,888**	**423,988**	**23,485**	**(894)**	**22,591**
39,729,200	**283,400**	**39,714,100**	**6,515,700**	**252,300**	**115,000**	**367,300**
2,667,869	381,472	505,825	2,058,127	190,258	13,582	203,840
62,549	44,688	47,520	199,941	13,177	(249)	12,928
5,169,934	1,742,188	1,035,023	8,361,979	442,695	14,652	457,347
28,029,077	8,384,749	14,870,774	9,739,865	(278,103)	317,749	39,646
2,082	77,948	986	445,010	15,941	(64)	15,877
34,954,816	376,893	34,922,546	6,251,390	238,232	(168,947)	69,285

Other comprehensive income for the year	Other movement	Closing net assets at June 30, 2017	Ownership interest	Interest in associates	Goodwill	Carrying value
Rs'000	**Rs'000**	**Rs'000**	**%**	**Rs'000**	**Rs'000**	**Rs'000**
(15,008)	**(8,900)**	**2,386,683**	**39.00**	**930,806**	**-**	**930,806**
(989)	**2,756**	**45,358**	**47.14**	**21,382**	**965**	**22,347**
(64,357)	**(2,768)**	**2,495,426**	**39.00**	**973,216**	**-**	**973,216**
206,800	**(639,917)**	**12,511,695**	**35.30**	**4,416,628**	**-**	**3,751,678**
(894)	**-**	**57,310**	**45.00**	**25,790**	**-**	**25,790**
13,582	(137,587)	2,243,042	39.00	874,786	-	874,786
(249)	(1,607)	39,274	48.35	18,989	965	19,954
14,652	(211,513)	2,328,069	39.00	907,947	-	907,947
317,749	(543,621)	13,669,803	29.87	4,083,170	-	4,083,170
(64)	-	42,219	45.00	18,999	-	18,999

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(g) Aggregate information of associated companies which are not individually material is as follows:

	2017	2016
	Rs'000	Rs'000
Carrying amount of interests	**2,875,279**	2,179,066
Share of profit	**155,696**	322,480
Share of other comprehensive income	**(246,153)**	(101,920)
Share of total comprehensive income	**(90,457)**	220,561

(h) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the group using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Impairment of investments in associated companies

The group follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) **Accounting policy**

Consolidated financial statements

A jointly controlled entity is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists when decisions about the relevant activities require unanimous consent of the parties.

Investments in jointly controlled entities are accounted for under the equity method of accounting. Equity accounting involves recognising on the statement of comprehensive income the group's share of the jointly controlled entities' profit or loss and other comprehensive income for the year. The group's interests in the jointly controlled entities' are carried on the statement of financial position at an amount that reflects its share of the net assets of the entity. Goodwill is included within the carrying amount of the jointly controlled entity and tested yearly for impairment.

The results of jointly controlled entities acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of jointly controlled entities to bring the accounting policies used in line with those adopted by the group.

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Notes to the financial statements

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (CONT'D)

(b) **THE GROUP**

	2017	2016
	Rs'000	Rs'000
At July 1,	**15,500**	2,463,017
Additions	**38,600**	-
Disposals	**-**	(71,600)
Transfer to investment in subsidiary companies	**-**	(2,321,217)
Share of profits less losses for the year	**(10,178)**	(49,699)
Movement in net assets of jointly controlled entities	**(300)**	(5,001)
At June 30,	**43,622**	15,500

(c) The group's interests in its unquoted jointly controlled entities are as follows:

			2017			2016			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	**Country of incorporation**	**Holding company**	**Subsidiary companies**	**Effective holding**	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	**%**	**%**	%	%	%	
Axa Customer Services Ltd	Dec 31,	Mauritius	**-**	**50.00**	**10.47**	-	50.00	8.56	Business process outsourcing
Jacotet Bay Ltd	June 30,	Mauritius	**-**	**50.00**	**4.63**	-	50.00	4.63	Property

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

12. INVESTMENTS IN FINANCIAL ASSETS

(a) **Accounting policy**

Categories of financial assets

The group classifies its financial assets in the following categories: held for trading and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The group's accounting policies in respect of the main financial instruments are set out below.

Initial measurement

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 cost inclusive of transaction costs except for held for trading securities whereby transaction costs are expensed.

Subsequent measurement

Financial assets are subsequently carried at fair value. The fair value of some quoted investments are based on current bid prices. If the market for the financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, adjusted net asset value, capitalised earnings method, dividend yield method and market prices refined to reflect the issuer's specific circumstances. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are reflected at cost.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

(i) Available-for-sale financial assets

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

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

(ii) Held for trading financial assets

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets.

Realised and unrealised gains and losses arising from changes in the fair value of held for trading financial assets are included in profit or loss.

(iii) Held-to-maturity financial assets

Financial assets that the group intends to hold to maturity are measured at amortised cost, less impairment loss recognised to reflect irrecoverable amounts.

Impairment of financial assets

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 financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below 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 profit or loss - is removed from equity and recognised in profit or loss.

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

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Notes to the financial statements

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) **AVAILABLE-FOR-SALE FINANCIAL ASSETS**

(i) The movement in available-for-sale financial assets may be summarised as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,411,003**	414,206	**2,451**	448
Additions	**37,883**	941,578	**-**	2,004
Disposals	**(31,995)**	-	**-**	-
Fair value adjustments	**71,496**	55,219	**2**	(1)
Transfer from investments in associated companies (note 10)	**19,600**	-	**-**	-
At June 30,	**1,507,987**	1,411,003	**2,453**	2,451

(ii) **At June 30, 2017**

	Level 1	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
The group	**1,123,795**	**-**	**384,192**	**1,507,987**
The company	**22**	**-**	**2,431**	**2,453**

(iii) At June 30, 2016

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
The group	1,055,675	-	355,328	1,411,003
The company	20	-	2,431	2,451

Investments included in level 1 comprise of quoted equity investments valued at their market prices. If all significant inputs required to fair value an investment are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

(iv) The table below shows the changes in level 3 instruments for the year ended June 30, 2017 and 2016.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**355,328**	214,578	**2,431**	430
Additions	**37,701**	113,250	**-**	2,001
Disposals	**(31,967)**	(1,300)	**-**	-
Fair value adjustments	**3,530**	28,800	**-**	-
Transfer from investments in associated companies (note 10)	**19,600**	-	**-**	-
At June 30,	**384,192**	355,328	**2,431**	2,431

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) **AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONT'D)**

(v) Available-for-sale financial assets include the following:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Equity securities at fair value:				
- Listed	**978,395**	930,935	**22**	20
- DEM listed	**145,400**	124,740	**-**	-
- Unquoted	**384,192**	355,328	**2,431**	2,431
	1,507,987	1,411,003	**2,453**	2,451

(vi) The fair value of the securities was determined at June 30, 2017 by independent valuers. The listed securities were valued based on adjusted market prices. The unquoted securities were valued based on a mix of adjusted net assets, discounted cash flows and capitalised earnings appropriate to each individual investment. The quoted securities have been valued at their market prices.

(vii) Investments in financial assets are denominated in Mauritian rupees.

(viii) Bank borrowings are secured on some investments of the group.

(ix) The group did not record any impairment during the year (2016: Rs.nil) .

(c) **HELD FOR TRADING FINANCIAL ASSETS**

(i) The carrying amounts of held for trading financial assets are classified as follows:

	2017				2016
	Official market	**DEM listed**	**Unquoted**	**Total**	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
At July 1,	**32,943**	**19,652**	**2,396**	**54,991**	58,056
Dividend in specie	**-**	**-**	**-**	**-**	769
Fair value adjustments	**6,561**	**1,683**	**(112)**	**8,132**	(3,834)
At June 30,	**39,504**	**21,335**	**2,284**	**63,123**	54,991

(ii) **At June 30, 2017**

	Level 1	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
Held for trading securities	**60,839**	**2,284**	**63,123**

(iii) At June 30, 2016

	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
Held for trading securities	52,595	2,396	54,991

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) **HELD FOR TRADING FINANCIAL ASSETS (CONT'D)**

(iv) The table below shows changes in level 3 instruments for the year ended June 30, 2017 and 2016:

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
At July 1,	**2,396**	2,377
Dividend in specie	**-**	19
Fair value adjustment	**(112)**	-
At June 30,	**2,284**	2,396

(v) THE COMPANY

	Unquoted
	Rs'000
At June 30, 2017 and 2016	**699**

(vi) The company's held for trading securities are categorised under level 3.

(vii) The fair value of the securities was determined by independent valuers at the end of the reporting period. Unquoted investments were valued using various methods of valuation and assumptions based on adjusted earnings and adjusted net assets. Listed investments were valued at closing market prices.

(viii) Changes in fair value of held for trading securities are recorded in profit or loss.

(ix) Held for trading securities are denominated in Mauritian rupees.

(x) None of the financial assets are impaired.

(d) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the group using valuation which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Impairment of available-for-sale financial assets

The group follows the guidance of IAS 39 in determining when an investment is other than temporarily impaired and this determination requires significant judgement. In making this judgement the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology, operational and financing cash flows.

13. DEPOSIT ON INVESTMENTS

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
At July 1 and June 30,	**1,500**	1,500

Deposit on investments relate to application monies in companies in respect of which shares have not yet been allotted at the end of the reporting date.

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Notes to the financial statements

14. NON-CURRENT RECEIVABLES

(a) **Accounting policy**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method less provision for impairment. The amount of loss, which is measured as the difference between the carrying amount of the asset and the present value of estimated cash flows discounted at the effective interest rate, is recognised in profit or loss. Long term receivables without fixed maturity terms are measured at cost.

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loans to subsidiary companies	**-**	-	**1,167,000**	1,167,000
Loans to other companies - unsecured	**80,861**	96,241	**-**	-
Loans to other companies - secured	**801**	418	**801**	418
	81,662	96,659	**1,167,801**	1,167,418

(c) Loans advanced by the company to subsidiary companies include amount of Rs.1,150m relating to funds received from the notes issued as detailed in note 22(c). Half of the loan amount carries interest at a fixed rate of 6.5% and the remaining carries interest at repo + 1.60%, currently 5.60%. The timing for repayment of the loan has been aligned with those of the notes issued.

(d) Loans to other companies are repayable by instalments after more than one year, and carry interest at the rate of 2.30% - 3.15%.

(e) The carrying amounts of non-current receivables are denominated in Mauritian rupees.

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15. INVENTORIES

(a) **Accounting policy**

Inventories and work in progress are valued at the lower of cost or net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs to completion and applicable variable selling expenses.

Land earmarked for development is stated at the lower of cost or net realisable value and is included in inventories.

Development costs incurred in the land development projects are capitalised and subsequently released to the statement of profit or loss as and when sales is being effected and by reference to the stage of completion using the percentage of completion method.

(b) **THE GROUP**

	2017	2016
	Rs'000	Rs'000
Raw materials, consumables and spare parts	**581,763**	529,890
Stock of land	**645,828**	1,128,002
Work in progress	**46,765**	30,861
Finished goods	**538,159**	589,050
Goods in transit	**8,182**	8,221
	1,820,697	2,286,024

(c) Work in progress relates mainly to costs incurred to date on the construction of villas in Les Villas de Bel Ombre Ltée.

(d) The cost of inventories recognised as expense and included in cost of sales amounted to Rs.6.7m (2016: Rs.6.6 m).

(e) Bank borrowings are secured by floating charges on part of the inventories of the group.

16. CONSUMABLE BIOLOGICAL ASSETS

(a) **Accounting policy**

Consumable biological assets are measured at fair value less costs to sell, which is the present value of the expected net cash flows discounted at the relevant market determined pre-tax rate (palm trees: 7.19% (2016: 7.44%), nursery: 18.19% - 26.19% (2016: 18.44% - 26.44%) and standing cane 3.19% (2016: 4.15%)).

(b)

			2017			2016
	Standing cane	**Palm trees**	**Nursery**	**Deer farming**	**Total**	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
At July 1,	**307,493**	**21,003**	**31,990**	**34,465**	**394,951**	370,085
Changes in fair value	**(41,937)**	**4,681**	**(147)**	**(5,800)**	**(43,203)**	24,866
At June 30,	**265,556**	**25,684**	**31,843**	**28,665**	**351,748**	394,951

Consumable biological assets are stated at their fair value and relate to the value of standing cane, deer farming, nursery plants and palm trees.

The fair value measurements for standing canes have been categorised as level 3 fair value based on the inputs to the valuation techniques used.

At June 30, 2017, standing canes comprised of approximately 4,856 hectares of sugar cane under plantation (2016: 5,086 hectares). During the year, the group harvested approximately 379,043 tonnes of cannes (2016: 371,647 tonnes of cannes).

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Notes to the financial statements

16. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

(c) Critical accounting estimates

Consumable biological assets

The fair value of consumable biological assets has been arrived at by discounting the present value of the expected net cash flows at the relevant market determined pre-tax rate. For standing canes, the expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on yearly budgets.

For other consumable biological assets, the expected cash flows have been computed on the basis of expected sale prices and the expected cost of maintenance.

17. TRADE AND OTHER RECEIVABLES

(a) Accounting policy

Trade and other 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 and other 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 provision is recognised in profit or loss.

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**2,201,887**	2,475,015	**-**	-
Less provision for impairment	**(203,053)**	(257,404)	**-**	-
	1,998,834	2,217,611	**-**	-
Prepayments and other receivables	**1,475,339**	1,942,466	**1,954**	10,661
	3,474,173	4,160,077	**1,954**	10,661

(c) At June 30, 2017, trade receivables of Rs.393m (2016: Rs.498m) for the group were past due, out of which Rs.203m (2016: Rs.257m) were impaired.

The individually impaired receivables related mainly to debtors with overdue balances. It was assessed that a proportion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
3 to 6 months	**131,605**	111,078	**-**	-
Over 6 months	**261,122**	386,925	**-**	-
	392,727	498,003	**-**	-

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) At June 30, 2017, trade receivables of Rs.189.7m (2016: Rs.240.5m) for the group were past due but not impaired.

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
3 to 6 months	**121,477**	105,981	**-**	-
Over 6 months	**68,197**	134,618	**-**	-
	189,674	240,599	**-**	-

(e) Trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian rupee	**2,625,352**	3,318,356	**1,954**	10,661
US Dollar	**274,149**	186,618	**-**	-
Euro	**574,661**	652,064	**-**	-
Other currencies	**11**	3,039	**-**	-
	3,474,173	4,160,077	**1,954**	10,661

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

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**257,404**	147,461	-	-
Acquisition through business combination	**-**	40,500	-	-
Provision for impairment	**33,521**	97,081	-	-
Amount written off during the year as irrecoverable	**(81,678)**	(517)	-	-
Bad debts recovered	**(6,194)**	(221)	-	-
Release of provision	**-**	(26,900)	-	-
At June 30,	**203,053**	257,404	-	-

(g) The other classes within trade and other receivables do not include impaired assets.

(h) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

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18. RECEIVABLE FROM GROUP COMPANIES

(a) **Accounting policy**

Amounts receivable from group companies 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 group 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 provision is recognised in profit or loss.

Group loans receivable

Loans receivable are classified as originated loans without fixed maturity and are measured at cost less provision for impairment. A provision for impairment is made on identified risk loans and is calculated as the shortfall between the outstanding balances and their recoverable amounts. Loans are written down to estimated realisable values when there is no realistic prospect of recovery.

(b)

		2017		2016
	Loans	**Others**	**Total**	Total
THE COMPANY	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
Subsidiary companies	**231,050**	**177,145**	**408,195**	467,162

At June 30, 2017, amounts receivable from group companies were neither past due nor impaired (2016: Rs.nil). The carrying amount of receivables from group companies approximate their fair value.

Amounts receivable from group companies are denominated in Mauritian rupees. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(a) **Accounting policy**

Non-current assets classified as held for sale relate to land earmarked for future sale, development projects and investment earmarked for sale during the coming year. They are measured at the lower of carrying amount and fair value less costs to sell if the carrying amount is recovered principally through sales. This condition is regarded as met only when the sales are highly probable and the asset is available for immediate sale in their 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.

(b)

	THE GROUP		**THE COMPANY**	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**50,187**	28,713	**-**	-
Disposals	**(68,196)**	(3,069)	**-**	-
Transfer from property, plant and equipment (note 5)	**92,226**	25,734	**-**	-
Transfer from investment properties (note 6)	**2,300**	-	**-**	-
Transfer from investments in subsidiary companies (note 9)	**-**	-	**127,700**	-
Transfer to compensation for waiver to rights to lessee on land and buildings	**(293)**	(1,191)	**-**	-
At June 30,	**76,224**	50,187	**127,700**	-

These assets have been classified as non-current assets held for sale as the intention is to dispose of them within one year.

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20. SHARE CAPITAL

(a) **Accounting policy**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new share are shown in equity as deduction, net of tax, from proceeds.

(b)

	2017 & 2016	
	Number of shares	**Rs'000**
Ordinary shares of Rs.10 each	**109,200,757**	**1,092,008**
Participating preference shares of Rs.10 each	**104,639,243**	**1,046,392**
	213,840,000	**2,138,400**

The total authorised number of shares with a par value of Rs.10 each is 213,840,000 (2016: 213,840,000). All issued shares are fully paid.

21. BORROWINGS

(a) **Accounting policy**

Borrowings are recognised initially at fair value being their issue proceeds net of direct issue costs. Borrowings are subsequently stated at amortised cost.

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.

Accounting for leases – where the group is the lessee

Leases are classified as finance lease where the terms of the lease transfer substantially all risks and rewards of ownership to the lessee.

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings.

Finance charges are charged to profit or loss over the lease period. Property, plant and equipment acquired under finance leasing contracts are depreciated over the useful lives of the assets.

Debentures

Debentures are recognised initially at fair value being the issue proceeds net of transaction costs incurred. Debentures are subsequently stated at amortised cost. Debentures are subsequently stated at amortised cost. Debentures 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.

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Secured fixed/variable rate notes (see note (c) and (g) below)	**1,710,000**	1,150,000	**1,150,000**	1,150,000
Debentures (see note (d) and (g) below)	**355,700**	299,800	-	-
Convertible preference shares (see note (e) below)	**71,500**	183,900	-	-
Bank and other loans (see note (g) below)	**11,250,785**	10,840,502	**412,808**	423,914
Obligations under finance leases (see note (h) below)	**166,600**	181,687	**4,337**	1,189
	13,554,585	12,655,889	**1,567,145**	1,575,103

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**1,543,592**	1,239,708	**-**	-
Bank and other loans	**3,210,537**	2,924,085	**114,712**	121,111
Convertible preference shares (see note (e) below)	**55,653**	-	-	-
Obligations under finance leases (see note (h) below)	**92,659**	97,690	**1,091**	304
	4,902,441	4,261,483	**115,803**	121,415
Total borrowings	**18,457,026**	16,917,372	**1,682,948**	1,696,518

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Notes to the financial statements

21. BORROWINGS (CONT'D)

(c) **Secured fixed/variable rate notes**

The company has issued notes with a fixed interest of 6.5% for half of the amount and variable rate of Repo + 1.6% per annum for the balance. The notes have a tenor of 6 years and are secured by a pledge on the shares of ENL Land Ltd owned by the company.

The notes can be redeemed as follows:

- Put option for note holder for the whole amount during the tenor of the notes in the form of ENL Land Ltd shares, commencing 31 October 2015, then annually on anniversary date and until the 5th year.

- Call option for the issuer for a maximum of 50% of the amount during the tenor of the notes in the form of ENL Land shares commencing 31 October 2015, then annually on anniversary date and until the 5th year.

- at maturity in cash, ENL Land shares or a combination of both.

The directors consider it appropriate to classify the notes as non-current liabilities. Based on prevailing market conditions, they are of the opinion that the put and call option will not be exercised by both parties for the coming year.

During the year, a subsidiary company issued secured floating rate notes as follows:

(i) Senior floating rate notes of Rs.400m, with a variable interest rate of Repo + 2% per annum.

(ii) Junior floating rate notes of Rs.160m, with a variable interest rate of Repo + 3% per annum.

The notes have a tenor of 10 years, and are secured by a fixed charge over all the assets of the issuer, with the senior notes ranking before the junior notes.

(d) **Debentures**

During the year under review, a subsidiary company has in issue 17,556,676 redeemable bonds at an issue price of Rs 12.00 each, totalling Rs.210.7m. Salient features of the debentures are as follows:

A coupon rate of 6.0% per annum in respect of each financial year over 10 consecutive years, will be paid to Bondholders out of the profits of the entity. This will be paid in priority to dividends payable to Class A ordinary shareholders and preference shareholders. Coupon payment shall be paid in June of each financial year.

Bondholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the entity.

Bonds shall be redeemed automatically on the 30th June of every financial year over 5 consecutive years starting 30 June 2021, without paying any additional fee.

(e) **Convertible preference shares**

Salient features of the convertible preference shares are as follows:

Preference shares shall be converted mandatorily on the 30th June of every financial year over 5 consecutive years into Class A ordinary shares of the subsidiary company without paying any additional fee.

The preference shares yield a dividend of 6.0% per financial year over 5 consecutive years, payable out of the profits of the subsidiary company and in priority to dividends payable to Class A ordinary shareholders. Dividend distribution shall be paid in June of each financial year.

Preference shareholders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the subsidiary company.

The right to an equal share in the distribution of surplus assets among non-convertible preference shareholders on winding up, payable in priority to the holders of ordinary shares.

The convertible non-voting preference shares shall constitute unsecured and subordinated obligations of the subsidiary company and shall accordingly rank junior to all secured and unsubordinated creditors of the subsidiary company but ahead of Class A ordinary shares.

(f) The borrowings include secured liabilities amounting to Rs.17.7bn (2016: Rs.16.0bn) for the group and Rs.1.7bn (2016: Rs.1.7bn) for the company. Borrowings are secured by fixed and floating charges on the assets of the group and by pledge of shares.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

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Notes to the financial statements

21. BORROWINGS (CONT'D)

(g) Bank and other loans

The maturity of non-current borrowings is as follows (excluding obligations under finance lease and convertible preference shares):

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
- after one year and before two years	**773,293**	1,167,498	**30,594**	37,778
- after two years and before five years	**3,813,542**	4,149,972	**1,254,149**	1,263,359
- after five years	**8,729,650**	6,972,832	**278,065**	272,777
	13,316,485	12,290,302	**1,562,808**	1,573,914

(h) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
- not later than 1 year	**102,203**	109,879	**1,435**	406
- after one year and before two years	**81,350**	87,258	**1,435**	402
- after two years and before five years	**98,291**	108,851	**3,458**	946
- after five years	**4,507**	6,366	**13**	-
	286,351	312,354	**6,341**	1,754
Future finance charges on finance leases	**(27,092)**	(32,977)	**(913)**	(261)
Present value of finance lease liabilities	**259,259**	279,377	**5,428**	1,493

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Representing lease liabilities:				
Current	**92,659**	97,690	**1,091**	304
Non-current can be analysed as follows:				
- after one year and before two years	**78,844**	84,882	**1,170**	326
- after two years and before five years	**85,140**	90,542	**3,154**	863
- after five years	**2,616**	6,263	**13**	-
	259,259	279,377	**5,428**	1,493

The group leases some plant and equipment and motor vehicles under finance leases. The leases have purchase options on termination. There are no restrictions imposed on the group by lease arrangements.

(i) Borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian rupee	**17,582,599**	16,375,332	**1,682,948**	1,696,518
Euro	**480,400**	246,230	**-**	-
US Dollar	**394,027**	295,810	**-**	-
	18,457,026	16,917,372	**1,682,948**	1,696,518

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Notes to the financial statements

21. BORROWINGS (CONT'D)

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

	2017			2016		
	USD	**Euro**	**Rs**	USD	Euro	Rs
	%	**%**	**%**	%	%	%
Secured fixed rate notes	**-**	**-**	**6.50**	-	-	6.50
Secured variable rate notes	**-**	**-**	**Repo+1.60-3.00**	-	-	Repo+1.60
Bank overdrafts	**-**	**-**	**6.00-9.75**	-	-	6.65-10.15
Bank borrowings	**-**	**-**	**3.00-8.00**	-	-	3.00-12.50
Other loans	**3.23-4.50**	**2.90**	**6.25-7.08**	2.47-3.80	2.70-2.90	6.68-8.40
Debentures	**-**	**-**	**6.00-7.00**	-	-	5.00-7.00
Finance lease liabilities	**-**	**-**	**6.85-10.00**	-	-	7.25-12.65

(k) The exposure of the group's borrowings to the interest rate changes and the contractual repricing dates are disclosed above.

(l) The carrying amounts of borrowings are not materially different from their fair value.

22. DEFERRED INCOME TAXES

(a) **Accounting policy**

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date 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 profits will be available against which deductible temporary differences can be utilised.

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

(b) Deferred income tax is calculated on all temporary differences under the liability method at 15% (2016: 15%).

Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

At the end of the reporting period, the group and the company had unused tax losses of Rs.1,005m and Rs.5.3m respectively (2016: Rs.794.7m and Rs.nil) available for offset against future profits. A deferred tax asset of Rs.36.2m and Rs.1m respectively (2016: Rs.47.5m and Rs.nil) has been recognised by the group and the company in respect of part of these losses. No deferred tax asset has been recognised in respect of remaining losses due to the unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years except for losses attributable to annual allowances claimed in respect of capital expenditure.

There is a legally enforceable right to offset deferred tax assets against deferred tax liabilities when the deferred income taxes relate to the same fiscal authority on the entity. The following amounts are shown on the statement of financial position:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**66,998**	35,814	**14,697**	12,702
Deferred tax liabilities	**(587,475)**	(406,329)	**-**	-
Net deferred tax liabilities	**(520,477)**	(370,515)	**14,697**	12,702

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

22 DEFERRED INCOME TAXES (CONT'D)

(c) The movement in the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(370,515)**	(236,284)	**12,702**	11,419
Acquisition through business combination	**2,400**	(85,256)	**-**	-
(Charged)/credited to profit or loss (note 31)	**(70,584)**	(49,554)	**(546)**	395
(Charged)/credited to other comprehensive income	**(81,778)**	579	**2,541**	888
At June 30,	**(520,477)**	(370,515)	**14,697**	12,702

(d) The movement in deferred income tax assets and liabilities during the year is as follows:

THE GROUP

(i) **2017**

	At July 1, 2016	Acquisition through business combination	(Charged)/ credited to profit or loss	Credited to other comprehensive income	At June 30, 2017
Deferred tax liabilities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	(168,726)	2,400	(21,275)	-	(187,601)
Asset revaluations	(143,229)	-	-	(89,370)	(232,599)
Impairment loss/fair value	(163,900)	-	(27,644)	-	(191,544)
	(475,855)	**2,400**	**(48,919)**	**(89,370)**	**(611,744)**
Deferred tax assets					
Tax losses	47,487	-	(11,281)	-	36,206
Retirement benefit obligations	57,853	-	(10,384)	7,592	55,061
	105,340	**-**	**(21,665)**	**7,592**	**91,267**
Net deferred tax liabilities	**(370,515)**	**2,400**	**(70,584)**	**(81,778)**	**(520,477)**

(ii) **2016**

	At July 1, 2015	Acquisition through business combination	(Charged)/ credited to profit or loss	Credited to other comprehensive income	At June 30, 2016
Deferred tax liabilities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	(130,824)	(14,281)	(23,621)	-	(168,726)
Asset revaluations	(114,608)	(20,175)	(8,446)	-	(143,229)
Impairment loss/fair value	(64,600)	(50,800)	(48,500)	-	(163,900)
	(310,032)	**(85,256)**	**(80,567)**	**-**	**(475,855)**
Deferred tax assets					
Tax losses	17,852	-	29,635	-	47,487
Retirement benefit obligations	55,896	-	1,378	579	57,853
	73,748	**-**	**31,013**	**579**	**105,340**
Net deferred tax liabilities	**(236,284)**	**(85,256)**	**(49,554)**	**579**	**(370,515)**

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Notes to the financial statements

22. DEFERRED INCOME TAXES (CONT'D)

(e) THE COMPANY

The movement in deferred income tax assets is as follows:

(i) **2017**

Deferred tax assets	At July 1, 2016 Rs'000	Credited/ (charged) to profit or loss Rs'000	Credited to other comprehensive income Rs'000	At June 30, 2017 Rs'000
Retirement benefit obligations	**11,057**	**250**	**2,541**	**13,848**
Accelerated tax depreciation	**635**	**(580)**	**-**	**55**
Tax losses	**1,010**	**(216)**	**-**	**794**
	12,702	**(546)**	**2,541**	**14,697**

(ii) **2016**

Deferred tax assets	At July 1, 2015 Rs'000	Credited/ (charged) to profit or loss Rs'000	Credited to other comprehensive income Rs'000	At June 30, 2016 Rs'000
Retirement benefit obligations	10,118	51	888	11,057
Accelerated tax depreciation	1,301	(666)	-	635
Tax losses	-	1,010	-	1,010
	11,419	395	888	12,702

(f) **Critical accounting estimates**

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the group's investment property portfolio and have concluded that none of the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. As a result, the group has not recognised deferred tax on changes in the fair value of its investment properties as the group is not subject to capital gains tax on disposal of its investment properties.

23. RETIREMENT BENEFIT OBLIGATIONS

(a) Accounting policy

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Some subsidiaries of the group contribute to defined benefit plans for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries. The liability recognised on the statement of financial position is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

Re-measurement of the net defined benefit liability, which comprises 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 and will not be reclassified to profit or loss in subsequent periods.

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 benefit 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.

Defined contribution plans

A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity. There is no legal or constructive obligation 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. Some subsidiaries operate a defined contribution plan for all qualifying employees. Payments to defined contribution retirement plans are recognised as an expense when employees have rendered services that entitle them to the contributions. Some subsidiary companies operate defined contribution retirement plans with no worse off guarantees provided for certain employees.

Some of the subsidiary companies operate defined contribution schemes with the Sugar Industry Pension Fund.

Following an agreement with the Sugar Industry Staff Employee's Association where a pension is provided on retirement, the scheme operates as a defined benefit scheme.

The group also runs a defined contribution plan, the Rogers Money Purchase Retirement Fund (RMPRF), for some of its subsidiary companies. The pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF) have been transferred to this plan. These employees, subject to them contributing regularly to the RMPRF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RMPRF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

Retirement gratuity

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

Profit-sharing and bonus plans

Certain subsidiary companies recognise a liability and an expense for bonuses and profit-sharing. The subsidiary companies recognise a provision when a contractual obligation has arisen. The obligations arising under this item are not funded.

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Notes to the financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised on the statements of financial position				
Defined pension schemes (note (c) (ii))	**472,859**	381,117	**54,709**	40,377
Other post retirement benefits (note (d) (ii))	**377,034**	377,069	**37,607**	33,335
	849,893	758,186	**92,316**	73,712
Analysed as follows:				
Non-current liabilities	**849,893**	758,186	**92,316**	73,712
Amounts charged to profit or loss:				
- Defined pension benefits (note(c)(vi))	**53,731**	39,936	**6,612**	5,282
- Other post retirement benefits (note (d)(iv))	**47,976**	65,101	**2,129**	1,987
	101,707	105,037	**8,741**	7,269
Amount charged/(credited) to other comprehensive income:				
- Defined pension benefits (note (c)(vii))	**80,472**	41,226	**10,368**	2,940
- Other post retirement benefits (note (d)(v))	**(25,018)**	(32,886)	**6,567**	2,981
	55,454	8,340	**16,935**	5,921

(c) **Defined pension benefits**

(i) The group operates defined benefit pension plans for some of its subsidiary companies. They provide for a pension at retirement and benefit on death or disablement in service before retirement. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2017.

(ii) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**2,485,749**	2,113,483	**102,372**	83,776
Present value of unfunded defined benefit obligations	**1,763**	727	**-**	-
Fair value of plan assets	**(2,123,753)**	(1,842,193)	**(47,663)**	(43,399)
Impact of minimum funding requirement/asset ceiling	**109,100**	109,100	**-**	-
Deficit of funded plans	**472,859**	381,117	**54,709**	40,377

(iii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**381,117**	341,274	**40,377**	34,817
Charged to profit or loss	**53,731**	39,936	**6,612**	5,282
Charged to other comprehensive income	**80,472**	41,226	**10,368**	2,940
Contributions paid	**(42,461)**	(41,319)	**(2,648)**	(2,662)
At June 30,	**472,859**	381,117	**54,709**	40,377

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) **Defined pension benefits (cont'd)**

(iv) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**2,114,210**	2,320,889	**83,776**	74,092
Current service cost	**29,751**	30,491	**3,057**	2,210
Past service cost	**400**	481	**-**	-
Interest cost	**148,125**	145,978	**5,644**	4,960
Actuarial loss	**33,904**	4,847	**9,895**	2,514
Liability loss/(gain) due to change in financial assumptions	**12,551**	(14,200)	**-**	-
Liability gain due to change in demographic assumptions	**-**	(900)	**-**	-
Benefits paid	**(100,247)**	(225,070)	**-**	-
Liability experience loss/(gain)	**248,818**	(148,306)	**-**	-
At June 30,	**2,487,512**	2,114,210	**102,372**	83,776

(v) The movement in the fair value of plan assets during the year is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(1,842,193)**	(1,979,615)	**(43,399)**	(39,275)
Expected return on plan assets	**(206,788)**	89,376	**-**	-
Employer contributions	**(42,461)**	(41,319)	**(2,648)**	(2,662)
Scheme expenses	**214**	186	**77**	81
Interest income	**(133,243)**	(138,486)	**(2,881)**	(2,616)
Cost of insuring risk benefits	**1,384**	1,286	**715**	647
Benefits paid	**100,247**	225,070	**-**	-
Actuarial (gain)/loss	**(913)**	1,309	**473**	426
At June 30,	**(2,123,753)**	(1,842,193)	**(47,663)**	(43,399)

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**29,751**	30,491	**3,057**	2,210
Past service cost	**400**	481	**-**	-
Cost of insuring risk benefits	**1,384**	1,286	**715**	647
Interest cost	**21,982**	7,492	**2,763**	2,344
Scheme expenses	**214**	186	**77**	81
Total included in employee benefit expense (note 30(c))	**53,731**	39,936	**6,612**	5,282

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) **Defined pension benefits (cont'd)**

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Losses on pension scheme assets	**5,333**	8,021	**473**	426
Liability experience losses/(gains)	**245,273**	(143,460)	**(4,044)**	2,514
Liability losses/(gains) due to change in financial assumptions	**11,751**	(14,200)	**-**	-
Liability gains due to change in demographic assumptions	**-**	(900)	**-**	-
Return on plan assets	**(212,234)**	82,665	**-**	-
Change in effect of asset ceiling	**(7,100)**	109,100	**-**	-
Changes in assumptions underlying the present value of the scheme	**37,449**	-	**13,939**	-
Actuarial losses recognised in other comprehensive income	**80,472**	41,226	**10,368**	2,940

(viii) The principal assumptions used for accounting purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	%	%	**%**	%
Discount rate	**5.0-6.5**	6.5-7.5	**5.0**	6.5
Expected return on plan assets	**3.0**	-	**-**	-
Future salary increases	**3.0-5.5**	4.5-6.5	**3.0**	4.5
Rate of pension increases	**0.0-1.0**	0.0-1.5	**-**	-

(ix) The allocation of the plan assets at the end of the reporting period is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	%	%	**%**	%
Qualifying insurance policies	**5.31**	5.46	**100.00**	100.00
Local equities	**31.40**	31.12	**-**	-
Overseas equities	**23.34**	22.00	**-**	-
Debt	**24.02**	25.00	**-**	-
Property	**13.35**	13.01	**-**	-
Cash and cash equivalents	**2.58**	2.43	**-**	-
Insured contracts	**-**	0.32	**-**	-
Investment funds	**-**	0.66	**-**	-
	100.00	100.00	**100.00**	100.00

Some of the assets of the plan are invested in the deposit administration policy underwritten by Swan Life. The deposit administration policy is a pooled insurance product for group pension schemes. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as equity funds. Moreover, the deposit administration policy offers a minimum guaranteed return of 4%.

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

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) **Defined pension benefits (cont'd)**

(x) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2017	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**182,154**	**2,743**
Increase due to 1% decrease in discount rate	**204,172**	**-**
Increase due to 1% increase in future long-term salary assumptions	**16,906**	**3,092**

	THE GROUP	THE COMPANY
June 30, 2016	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	177,566	2,989
Increase due to 1% decrease in discount rate	202,543	-
Increase due to 1% increase in future long-term salary assumptions	13,131	2,485

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The defined pension plans expose the group to actuarial risks such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(xii) The group and the company expects to pay Rs.79.9m and Rs.9m respectively as contributions to their post-employment benefit plans for the year ending June 30, 2018.

(xiii) The weighted average duration of the defined benefit obligation is between 3 and 35 years for the group and 3 years for the company at the end of the reporting period.

(d) **Other post retirement benefits**

Other post retirement benefits comprise of gratuity on retirement payable under the Employment Rights Act 2008 and other benefits.

(i) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**377,034**	377,069	**37,607**	33,335

(ii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**377,069**	384,934	**33,335**	32,637
Charged to profit or loss	**47,976**	65,101	**2,129**	1,987
(Credited)/charged to other comprehensive income	**(25,018)**	(32,886)	**6,567**	2,981
Benefits paid	**(22,993)**	(40,080)	**(4,424)**	(4,270)
At June 30,	**377,034**	377,069	**37,607**	33,335

YEAR ENDED JUNE 30, 2016

Notes to the financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(d) **Other post retirement benefits (cont'd)**

(iii) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**377,069**	384,934	**33,335**	32,637
Current service cost	**21,511**	37,671	**100**	-
Past service cost and gains and losses on settlements	**1,692**	1,800	**-**	-
Interest cost	**24,773**	25,630	**2,029**	1,987
Actuarial losses	**9,530**	521	**6,567**	2,981
Liability experience gains	**(736)**	(6,510)	**-**	-
Liability gains due to change in financial assumptions	**(3,812)**	(8,097)	**-**	-
Liability gains due to change in demographic assumptions	**(30,000)**	(18,800)	**-**	-
Benefits paid	**(22,993)**	(40,080)	**(4,424)**	(4,270)
At June 30,	**377,034**	377,069	**37,607**	33,335

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**21,511**	37,671	**100**	-
Past service cost	**1,692**	1,800	**-**	-
Interest expense	**24,773**	25,630	**2,029**	1,987
Total included in employee benefit expense (note 30(c))	**47,976**	65,101	**2,129**	1,987

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience losses/(gains)	**3,994**	(5,989)	**3,487**	2,981
Liability gain due to change in demographic assumptions	**(30,000)**	(18,800)	**-**	-
Liability gain due to change in financial assumptions	**(3,812)**	(8,097)	**-**	-
Changes in assumptions underlying the present value of the scheme	**4,800**	-	**3,080**	-
Actuarial losses recognised in other comprehensive income	**(25,018)**	(32,886)	**6,567**	2,981

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	%	%	**%**	%
Discount rate	**5.0-6.5**	6.5-7.0	**5.0**	6.5
Future long term salary increase	**3.0-6.0**	4.5-6.0	**-**	-
Future guaranteed pension increase	**0.0-2.0**	0.0-5.0	**-**	-

YEAR ENDED JUNE 30, 2017

Notes to the
financial statements

23. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2017	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**42,885**	**2,203**
Increase due to 1% decrease in discount rate	**47,190**	**-**
Increase due to 1% increase in future long-term salary assumptions	**2,425**	**-**

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting date: (cont'd)

	THE GROUP	THE COMPANY
June 30, 2016	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	29,952	1,764
Increase due to 1% decrease in discount rate	10,021	-
Increase due to 1% increase in future long-term salary assumptions	25,665	-

(viii) The weighted average duration of the defined benefit obligation is between 2 and 34 years for the group and 4 years for the company at the end of the reporting period.

(e) **Critical accounting estimates**

Pension benefits

The present value of the pension obligations depend 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 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 liability.

24. TRADE AND OTHER PAYABLES

(a) **Accounting policy**

Trade and other payables

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

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reliably estimated.

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 (when the effect of the time value of money is material).

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

24. TRADE AND OTHER PAYABLES (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**1,123,517**	1,220,876	**-**	-
Other payables and accruals	**2,797,262**	3,482,280	**32,199**	26,442
	3,920,779	4,703,156	**32,199**	26,442

Trade and other payables are denominated in Mauritian rupees and their carrying amounts approximate their fair values.

25. PAYABLE TO GROUP COMPANIES

(a) **Accounting policy**

Amounts payable to group companies are stated at fair value and subsequently measured at amortised cost using the effective interest method.

	2017			2016
	Loans	**Others**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	Rs'000
(b) THE COMPANY				
Subsidiary companies	**-**	**10,764**	**10,764**	12,602

Amounts payable to group companies are denominated in Mauritian rupees and their carrying amounts approximate their fair value.

26. REVENUE

(a) **Accounting policy**

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.

(i) Sales of goods

Sales of goods, including sale of land, 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 measured reliably;

· 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.

(ii) 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).

(iii) Rental income and management fees

Rental income and management fees are recognised on an accruals basis and in accordance with the substance of the relevant agreements unless collection is in doubt.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

26. REVENUE (CONT'D)

(a) **Accounting policy (cont'd)**

(iv) Revenue from sale of properties is recognised using the percentage of completion method as construction progresses. Sale of properties is net of rebates and discounts.

(v) Sugar and molasses prices are based on the final prices received from the Mauritius Sugar Syndicate.

(vi) Revenue also include interest and dividend receivable which are recognised on the following bases:

· Interest income is accounted 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.

· Dividend income is accounted for when the shareholder's right to receive payment is established.

(vii) Revenue from construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to surveys of work performed. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The group presents as a liability the gross amount due to customers for contract work in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

(b)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sales	**12,127,226**	11,663,847	**-**	-
Sugar and agricultural diversification proceeds	**785,882**	729,946	**-**	-
Investment and other income	**883,608**	963,796	**298,486**	360,623
Management and secretarial fees	**10,673**	5,698	**120,126**	92,014
	13,807,389	13,363,287	**418,612**	452,637

(c) **Critical accounting estimates**

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the stage of completion.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer before revenue is recognised.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

27. OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sugar estate other operating expenses	**484,292**	467,084	**-**	-
Depreciation and amortisation	**536,637**	496,108	**3,110**	3,744
Selling and other expenses	**610,379**	658,777	**-**	-
	1,631,308	1,621,969	**3,110**	3,744

28. REORGANISATION/RELOCATION COSTS

	THE GROUP	
	2017	2016
	Rs'000	Rs'000
Reorganisation/relocation costs	**-**	914

29. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Interest expense on	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Bank overdrafts	**104,179**	99,167	**21**	7
- Bank and other loans	**926,341**	940,011	**102,147**	108,455
- Finance leases	**15,340**	4,452	**165**	94
	1,045,860	1,043,630	**102,333**	108,556
Foreign exchange (gains)/losses	**(71,349)**	(72,404)	**98**	(428)
	974,511	971,226	**102,431**	108,128

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

30. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Profit before taxation is arrived after:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Crediting :				
Income from investments - Official market	**25,062**	16,602	**187,619**	189,272
- DEM listed	**3,469**	1,436	**-**	27,200
- Unquoted	**32,198**	1,485	**11,580**	39,333
Interest income	**15,763**	24,400	**87,704**	94,063
Profit on disposal of property, plant and equipment, intangible assets, investment properties and investments	**102,002**	48,663	**1,169**	715
Increase in fair value of investment properties	**1,134,101**	627,221	**-**	-
Fair value gain on held for trading securities	**8,132**	-	**-**	-
Bargain purchase (see note (a) below)	**-**	482,542	**-**	-
Excess of fair value of the share of net assets over acquisition price (see note (b) below)	**124,090**	30,471	-	-
and charging:				
Depreciation on property, plant and equipment	**531,141**	521,278	**3,097**	3,531
Loss on disposal of property, plant and equipment, intangible assets, investment properties and investments	**-**	66,453	**-**	-
Goodwill and investment impaired	**5,455**	9,103	**-**	-
Amortisation of intangible assets	**47,976**	48,695	**13**	213
Amortisation of deferred expenditure	**13,400**	200	**-**	-
Fair value loss on held for trading securities	**-**	3,834	**-**	-
Employee benefit expense (see note (c) below)	**3,117,662**	2,745,512	**55,672**	54,327

(a) These investments are now accounted as subsidiaries.

(b) Excess of fair value of the share of net assets over acquisition price arise upon acquisition of associated companies.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

30. PROFIT BEFORE TAXATION (CONT'D)

(c) Employee benefit expense

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**2,784,288**	2,469,465	**40,322**	39,060
Social security and other costs	**153,386**	100,280	**5,706**	7,156
Pension costs - defined benefit plans (note 23(c)(vi))	**53,731**	39,936	**6,612**	5,282
- other post retirement benefits (note 23(d)(iv))	**47,976**	65,101	**2,129**	1,987
- defined contribution plans	**78,281**	70,730	**903**	842
	3,117,662	2,745,512	**55,672**	54,327

31. INCOME TAX

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) **CHARGE**				
Current tax on the adjusted profit for the year at 15% (2016: 15%)	**95,764**	90,839	**-**	-
Over provision	**(454)**	(4,925)	**-**	-
	95,310	85,914	**-**	-
Deferred tax charge/(credit) (note 22)	**70,584**	49,554	**546**	(395)
Income tax charge/(credit)	**165,894**	135,468	**546**	(395)

The tax expense for the period comprises of 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.

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

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
(b) **LIABILITY**				
At July 1,	**44,037**	68,554	**-**	1,546
Excess tax paid included in other receivables	**(26,489)**	(35,290)	**(2,613)**	2,613
Acquisition/disposal of subsidiary	**-**	3,248	**-**	-
Over provision	**(454)**	(4,925)	**-**	-
Charge for the year	**95,764**	90,839	**-**	-
(Paid)/refunded during the year	**(83,284)**	(78,389)	**2,613**	(4,159)
At June 30,	**29,574**	44,037	**-**	-

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Notes to the financial statements

31. INCOME TAX (CONT'D)

(c) The tax on the group's and company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the group and the company as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**1,448,364**	1,010,381	**158,507**	199,345
Tax calculated at a rate of 15% (2016: 15%)	**217,255**	151,557	**23,776**	29,902
Tax effect of :-				
Income not subject to tax	**(240,844)**	(270,659)	**(29,880)**	(38,371)
Effect of different tax rates	**13,100**	14,550	**-**	-
Expenses not deductible for tax purposes	**148,732**	76,111	**6,642**	8,074
Deferred tax on investment properties not recognised	**-**	(102)	**-**	-
Recognised tax losses	**(51,100)**	(47,430)	**-**	-
Utilisation of previously unrecognised tax losses	**(319)**	(759)	**-**	-
Deferred tax not recognised in previous years	**-**	(2,167)	**-**	-
Deferred tax impact	**73,700**	65,557	**-**	-
Tax losses for which no deferred tax asset was recognised	**99,044**	79,123	**-**	-
Over provision	**(454)**	(4,925)	**-**	-
Effect of consolidation adjustments	**(73,193)**	122,612	**-**	-
Effect of tax on associated companies	**(18,308)**	(47,094)	**-**	-
Other movements	**(1,719)**	(906)	**8**	-
Income tax charge/(credit)	**165,894**	135,468	**546**	(395)

32. FAIR VALUE, REVALUATION AND OTHER RESERVES

(a) THE GROUP

	Fair value and other reserves	**Associated companies reserves**	**Total**
(i) **2017**	**Rs' 000**	**Rs' 000**	**Rs' 000**
July 1, 2016	**6,535,317**	**317,854**	**6,853,171**
Acquisition and deconsolidation of group companies	**2,814**	**-**	**2,814**
Effect of change in ownership not resulting in loss of control	**(27,022)**	**-**	**(27,022)**
Transfer on disposal of land and buildings	**(27,418)**	**-**	**(27,418)**
Other transfers	**(4,344)**	**-**	**(4,344)**
Fair value adjustments on available-for-sale financial assets	**42,680**	-	**42,680**
Revaluation surplus, net of deferred tax	**574,443**	-	**574,443**
Release on disposal of investment	**2,626**	-	**2,626**
Currency translation differences	**(2,049)**	-	**(2,049)**
Share of other comprehensive income of associated companies	**-**	**(10,958)**	**(10,958)**
Movement in reserves	**-**	**(529)**	**(529)**
June 30, 2017	**7,097,047**	**306,367**	**7,403,414**

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

32. FAIR VALUE, REVALUATION AND OTHER RESERVES (CONT'D)

(a) THE GROUP (CONT'D)

		Fair value and other reserves	Associated companies reserves	Total
		Rs' 000	Rs' 000	Rs' 000
(ii)	July 1, 2015	6,496,803	931,400	7,428,203
	Acquisition and deconsolidation of group companies	2,069	-	2,069
	Effect of change in ownership not resulting in loss of control	54,584	-	54,584
	Transfer on disposal of land and buildings	(25,731)	-	(25,731)
	Other transfers	(6,372)	-	(6,372)
	Fair value adjustments on available-for-sale financial assets	23,910	-	23,910
	Currency translation differences	(9,946)	-	(9,946)
	Share of other comprehensive income of associated companies	-	(613,546)	(613,546)
	June 30, 2016	6,535,317	317,854	6,853,171

(b) THE COMPANY

Fair value and other reserves	**2017**	2016
	Rs' 000	Rs' 000
July 1,	**10,433,808**	10,028,939
Fair value adjustments on available-for-sale financial assets	**327,737**	404,869
June 30,	**10,761,545**	10,433,808

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

33. DIVIDENDS

(a) **Accounting policy**

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

(b)

	2017	2016
	Rs'000	Rs'000
Amounts recognised as distributions to equity holders during the year:		
Ordinary shares		
- Interim dividend for the year ended June 30, 2017 of Re.0.39 (2016: Re. 0.39) per share	42,588	42,588
- Final dividend for the year ended June 30, 2017 of Re.0.30 (2016: Re.0.39) per share	32,761	42,588
Participating preference shares		
- Interim dividend for the year ended June 30, 2017 of Re.0.39 (2016: Re. 0.39) per share	40,810	40,810
- Final dividend for the year ended June 30, 2017 of Re.0.30 (2016: Re.0.39) per share	31,391	40,810
	147,550	166,796

The final proposed dividend was paid on July 31, 2016.

34. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholder of the company by the weighted average number of ordinary shares outstanding during the period.

		THE GROUP		THE COMPANY	
		2017	2016	2017	2016
Net profit attributable to owners of the company	Rs.'000	466,845	236,480	157,961	199,740
Number of shares in issue		213,840,000	213,840,000	213,840,000	213,840,000
Basic earnings per share	Rs.	2.18	1.11	0.74	0.93

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

35. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
(a) **Cash generated from operations**	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**1,448,364**	1,010,381	**158,507**	199,345
Adjustments for:				
Depreciation of property, plant and equipment	**531,141**	521,278	**3,097**	3,531
Amortisation of intangible assets	**47,976**	48,695	**13**	213
Amortisation of deferred expenditure	**13,400**	200	**-**	-
Interest expense	**1,045,860**	1,043,630	**102,333**	108,556
Interest income	**(15,763)**	(24,400)	**(87,704)**	(94,063)
Fair value gain on revaluation of investment properties	**(1,134,101)**	(627,221)	**-**	-
Fair value adjustments on held for trading securities	**(8,132)**	3,834	**-**	-
Excess of the fair value of the share of net assets over acquisition price	**(124,090)**	(30,471)	**-**	-
Bargain purchase	**-**	(482,542)	**-**	-
(Profit)/loss on disposal of land and investments	**(80,810)**	54,929	**-**	-
Profit on disposal of property, plant and equipment, intangible assets and investment properties	**(24,690)**	(20,555)	**(1,169)**	(715)
Fair value loss arising on business combination	**-**	305,441	**-**	-
Acquisition related costs	**-**	78,145	**-**	-
Dividend received in lieu of cash	**-**	(769)	**-**	-
Impairment of receivables	**9,125**	11,778	**-**	-
Impairment of goodwill	**5,455**	9,103	**-**	-
Provision for retirement benefit obligations	**36,253**	23,638	**1,669**	337
Share of profits less losses of associated companies and jointly controlled entities, net of dividends	**33,067**	(263,972)	**-**	-
(Gain)/loss on exchange	**(6,028)**	1,972	**98**	(428)
Compensation for waiver to rights to lessee on land and buildings	**(872)**	(6,282)	**-**	-
Relocation and other costs	**-**	914	**-**	-
	1,776,155	1,657,726	**176,844**	216,776
Changes in working capital:				
- inventories	**39,223**	(103,504)	**-**	-
- consumable biological assets	**43,203**	(24,866)	**-**	-
- trade and other receivables	**551,794**	164,801	**(2,878)**	(6,542)
- receivable from group companies	**-**	-	**(13,960)**	27,085
- trade and other payables	**(704,035)**	22,636	**5,344**	(2,680)
- payable to group companies	**-**	-	**(1,837)**	4,303
Cash generated from operations	**1,706,340**	1,716,793	**163,513**	238,942

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

35. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) **Major non-cash transactions**

The principal non-cash transactions include the acquisition of property, plant and equipment under finance leases and available-for-sale financial assets received as consideration for sale of investments.

(c) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**(1,543,592)**	(1,239,708)	**-**	-
Cash at bank and in hand	**1,199,100**	1,434,693	**11,309**	10,372
Cash and cash equivalents	**(344,492)**	194,985	**11,309**	10,372

36. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contracted for but not provided in the financial statements	**601,600**	616,514	**-**	-

37. SEGMENT INFORMATION

(a) **Accounting policy**

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business unit requires different technology and marketing strategies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The group evaluates the performance on the basis of profit or loss from operations before tax expense. The group accounts for inter-segment sales and transfers at current market prices.

The group's customer base is highly diversified, with no individually significant customers.

No geographical information has been provided as the cost to develop it would be excessive.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

37 SEGMENT INFORMATION (CONT'D)

	THE GROUP	Agro-industry	Commerce and industry	Property	Land and investments	Hospitality	Logistics	FinTech	Corporate office	Total
(b)	**2017**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
	Total segment revenues	**999,618**	**3,565,521**	**2,645,776**	**727,168**	**3,065,685**	**3,498,315**	**665,153**	**381,157**	**15,548,393**
	Inter-segment revenues	**(75,474)**	**(170,605)**	**(421,081)**	**(643,711)**	**(49,893)**	**(779)**	**(391)**	**(379,070)**	**(1,741,004)**
	Revenue from external customers	**924,144**	**3,394,916**	**2,224,695**	**83,457**	**3,015,792**	**3,497,536**	**664,762**	**2,087**	**13,807,389**
	Profit/(loss) before finance costs	**163,943**	**65,063**	**1,687,958**	**43,678**	**58,401**	**158,260**	**109,610**	**135,962**	**2,422,875**
	Finance costs	**(7,970)**	**(74,993)**	**(435,155)**	**(211,512)**	**(25,312)**	**(35,000)**	**(11,000)**	**(173,569)**	**(974,511)**
	Profit/(loss) before taxation	**155,973**	**(9,930)**	**1,252,803**	**(167,834)**	**33,089**	**123,260**	**98,610**	**(37,607)**	**1,448,364**
	Income tax expense	**(4,084)**	**(10,599)**	**(44,294)**	**(55)**	**(55,270)**	**(36,000)**	**(15,000)**	**(592)**	**(165,894)**
	Profit/(loss) for the year	**151,889**	**(20,529)**	**1,208,509**	**(167,889)**	**(22,181)**	**87,260**	**83,610**	**(38,199)**	**1,282,470**
	Depreciation and amortisation	**75,250**	**103,480**	**83,445**	**12,406**	**173,195**	**106,000**	**25,000**	**13,741**	**592,517**
	Additions to non-current assets	**84,795**	**81,815**	**913,459**	**185**	**391,205**	**157,000**	**32,000**	**23,125**	**1,683,584**
	Other segment assets	**1,451,162**	**2,461,517**	**22,338,497**	**15,240,645**	**6,162,567**	**2,898,309**	**803,665**	**63,384**	**51,419,746**
	Investment in associated companies and jointly controlled entities	**2,140,793**	**76,862**	**157,000**	**103,099**	**4,526,723**	**-**	**1,618,261**	**-**	**8,622,738**
	Total segment assets	**3,591,955**	**2,538,379**	**22,495,497**	**15,343,744**	**10,689,290**	**2,898,309**	**2,421,926**	**63,384**	**60,042,484**
	Segment liabilities	**1,091,846**	**1,825,967**	**8,531,795**	**3,929,880**	**3,587,254**	**1,898,182**	**1,139,017**	**1,904,958**	**23,908,899**
	Material items of income and expenditure:									
	Fair value gain on revaluation of investment properties	**-**	**-**	**1,134,101**	**-**	**-**	**-**	**-**	**-**	**1,134,101**

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Notes to the financial statements

37 SEGMENT INFORMATION (CONT'D)

	THE GROUP	Agro-industry	Commerce and industry	Property	Land and investments	Hospitality	Logistics	FinTech	Corporate office	Total
(c)	2016	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
	Total segment revenues	1,021,693	3,591,194	2,710,259	879,462	2,883,417	3,134,520	628,276	367,635	15,216,456
	Inter-segment revenues	(77,026)	(101,730)	(440,580)	(839,898)	(25,165)	(779)	(786)	(367,205)	(1,853,169)
	Revenue from external customers	944,667	3,489,464	2,269,679	39,564	2,858,252	3,133,741	627,490	430	13,363,287
	Profit/(loss) before finance costs	264,824	24,860	1,288,751	(74,361)	91,485	121,387	151,559	113,102	1,981,607
	Finance costs	(11,142)	(76,340)	(448,980)	(281,578)	26,695	(3,285)	(10,568)	(166,028)	(971,226)
	Profit/(loss) before taxation	253,682	(51,480)	839,771	(355,939)	118,180	118,102	140,991	(52,926)	1,010,381
	Income tax expense	(5,102)	(2,435)	(37,885)	(5)	(41,468)	(35,256)	(13,586)	269	(135,468)
	Profit/(loss) for the year	248,580	(53,915)	801,886	(355,944)	76,712	82,846	127,405	(52,657)	874,913
	Depreciation and amortisation	73,726	95,775	95,720	12,183	171,894	90,582	12,364	17,729	569,973
	Additions to non-current assets	68,553	76,410	315,230	585,766	167,608	140,000	5,000	6,705	1,365,272
	Other segment assets	1,519,885	2,416,486	21,312,993	14,415,337	5,895,025	2,735,763	462,963	55,114	48,813,566
	Investment in associated companies and jointly controlled entities	1,996,449	60,391	185,845	2,648	4,183,252	33,465	1,637,372	-	8,099,422
	Total segment assets	3,516,334	2,476,877	21,498,838	14,417,985	10,078,277	2,769,228	2,100,335	55,114	56,912,988
	Segment liabilities	1,278,475	1,872,310	8,524,959	3,347,166	3,928,046	1,570,744	481,399	1,909,379	22,912,478
	Material items of income and expenditure:									
	Fair value gain on revaluation of investment properties	-	-	627,221	-	-	-	-	-	627,221

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

38. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Intermediate holding companies		Associated companies and jointly controlled entities		Other related parties	
	2017	2016	**2017**	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Purchases of goods and services	**-**	-	**52,943**	27,381	**18,532**	3,400
Sale of goods and services	**-**	-	**165,597**	97,600	**22,038**	60,200
Management fee income	**200**	200	**2,425**	1,140	**75**	75
Interest expense	**-**	-	**31,283**	21,937	**-**	-
Loans payable	**-**	-	**492,442**	351,400	**20,000**	-
Amounts receivable	**115**	-	**17,417**	34,202	**4,322**	2,400
Amounts payable	**-**	-	**6,495**	3,283	**17**	-

(b) THE COMPANY

	Intermediate holding companies		Subsidiary companies		Enterprises in which directors have substantial interest		Associated companies	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Purchases of goods and services	**-**	-	**74,430**	71,662	**-**	-	**-**	-
Interest income	**-**	12	**87,679**	94,034	**-**	-	**-**	-
Interest expense	**-**	-	**-**	-	**-**	-	**18,833**	20,423
Management fee income	**200**	200	**118,491**	91,664	**75**	75	**1,345**	60
Management fee expense	**-**	-	**5,788**	5,788	**-**	-	**-**	-
Loans receivable	**-**	-	**1,398,050**	1,475,500	**-**	-	**-**	-
Loans payable	**-**	-	**-**	-	**-**	-	**295,273**	300,000
Amounts receivable	**115**	-	**177,145**	158,662	**-**	58	**135**	91
Amounts payable	**-**	-	**10,764**	12,602	**-**	-	**196**	-

(c) The sales and purchases with related parties were made in the normal course of business. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash except for the following:
(i) Loans receivable from subsidiary companies carry interest rates varying between 5.60% to 7.25%.
(ii) Loans payable to associated companies carry interest varying between 6.25% to 6.68%.
No guarantees have been given or received except as disclosed in note 40.

(d) For the year ended June 30, 2017, the group and the company did not record any impairment of amounts receivable from related parties (2016: Rs.nil). This assessment is carried out each financial year by examining the financial position of the related parties and the markets in which the related parties operate.

(e) As at June 30, 2017, the amount owed by an enterprise with common director to one of the company's director was Rs.18,501,000.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

38. RELATED PARTY TRANSACTIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
(f) **Key management personnel compensation**	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Directors' fees	**4,201**	4,087	**768**	685
Salaries and short-term employee benefits	**24,145**	41,090	**15,109**	15,306
Post-employment benefits	**4,068**	4,710	**2,303**	1,883
	32,414	49,887	**18,180**	17,874

39. BUSINESS COMBINATIONS

(a) **2017**

Acquisition of subsidiaries

During the year, the group acquired 100% holding in Velogic Express Reunion:

The consideration paid for the acquisition of the above companies and the value of the assets acquired and liabilities assumed recognised at acquisition date, as well as the fair value at acquisition date of the non-controlling shareholders are summarised below.

	2017
Consideration	**Rs'000**
Cash	**30,000**
Acquisition-related costs	**-**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	**1,300**
Trade and other receivables	**33,300**
Cash and cash equivalents	**22,800**
Trade and other payables	**(30,000)**
Deferred tax liabilities	**(2,400)**
Total identifiable net assets	**25,000**
Non-controlling interest not acquired	**1,700**
Goodwill	**3,300**
	30,000

	2016
Net cash flow on acquisition of subsidiaries	**Rs'000**
Consideration paid in cash	**(30,000)**
Cash and cash equivalents acquired	**22,800**
	(7,200)

In 2017, the acquired business contributed revenues of Rs.17m and profits of Rs.2m to the group.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

39. BUSINESS COMBINATIONS (CONT'D)

(b) **2016**

Acquisition of subsidiaries

In 2016, the group acquired the following subsidiaries:

	Percentage holding	Proportion of effective ownership interests	Principal activity
FinTech:			
River Court Administrators Limited and subsidiaries	100.00	45.57	Global business
Logistics:			
General Cargo Services Limited	100.00	13.99	Global business
Gencargo (Transport) Limited	80.00	11.17	Global business
Property:			
Bagaprop Limited	85.00	31.38	Property
Gardens of Bagatelle Ltd	100.00	36.92	Property
Mall of (Mauritius) at Bagatelle Ltd	100.00	62.30	Property

The consideration paid for the acquisition of the above companies and the value of the assets acquired and liabilities assumed recognised at acquisition date, as well as the fair value at acquisition date of the non-controlling shareholders are summarised below.

	2016
Consideration	Rs'000
Cash	1,806,430
Fair value of equity interest before business combination	2,021,230
	3,827,660
Acquisition-related costs	78,145
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	105,400
Investment properties	6,996,450
Inventories	182,679
Trade and other receivables	232,205
Cash and cash equivalents	58,545
Bank overdraft	(120,180)
Borrowings	(2,444,936)
Trade and other payables	(267,565)
Deferred tax liabilities	(85,256)
Current tax liabilities	(3,248)
Total identifiable net assets	4,654,094
Non-controlling interest not acquired	(458,100)
Excess of fair value of net assets over shares issued	(250,634)
Goodwill attributable to non-controlling shareholders	(117,700)
	3,827,660

	2016
Net cash flow on acquisition of subsidiaries	Rs'000
Consideration paid in cash	(1,806,430)
Cash and cash equivalents acquired	(61,635)
	(1,868,065)

In 2016, the acquired business contributed revenues of Rs.953m and losses of Rs.429.2m to the group.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

40. CONTINGENT LIABILITIES

Contingent liabilities as at June 30, 2017 are as follows:

-A subsidiary has acted as surety in respect of a guarantee of Rs.300m given by one of its subsidiaries to the Mauritius Revenue Authority.

-A subsidiary has provided corporate guarantee of Rs.10.3m to Finlease in respect of finance lease facilities contracted by one of its subsidiaries.

-A subsidiary has an indemnity agreement for a maximum of Rs.30m towards the buyer in the event of breach of warranties given following the sale of a subsidiary.

- A subsidiary is being sued by the heirs of a former employee for Rs.76m on the ground of having provided unsafe working conditions during his tenure with the company. At the date of signing the annual report, the outcome is uncertain

- At June 30, 2017, some of the group's subsidiaries had contingent liabilities in respect of bank guarantees arising in the ordinary course of business.

It is anticipated that no material liabilities would arise from the above.

-A subsidiary is being sued by a client for breach of contract in respect of work carried out being faulty, the outcome of which is uncertain.

Some of the group's subsidiaries have pending legal matters amounting to Rs.62.4m. There are also pending legal matters relating to a court case against two subsidiary companies, the outcome of which is uncertain.

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

41. FINANCIAL SUMMARY

(a) **THE GROUP**

		Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015
		Rs'000	Rs'000	Rs'000
Statements of profit or loss and other comprehensive income				
Turnover		**13,807,389**	13,363,287	12,265,924
Profit before taxation		**1,448,364**	1,010,381	1,500,096
Income tax expense		**(165,894)**	(135,468)	(143,027)
Profit for the year		**1,282,470**	874,913	1,357,069
Other comprehensive income for the year		**1,332,036**	33,712	(253,040)
Total comprehensive income for the year		**2,614,506**	908,625	1,104,029
Profit attributable to:				
Owners of the company		**466,845**	236,480	536,093
Non-controlling shareholders		**815,625**	638,433	820,976
		1,282,470	874,913	1,357,069
Total comprehensive income attributable to:				
Owners of the company		**968,160**	251,051	339,308
Non-controlling shareholders		**1,646,346**	657,574	764,721
		2,614,506	908,625	1,104,029
Dividend per share				
- Interim	Re.	**0.39**	0.39	0.39
- Final	Re.	**0.30**	0.39	0.39
Earnings per share	Rs.	**2.18**	1.11	2.51

	June 30, 2017	June 30, 2016	June 30, 2015
Statements of financial position	**Rs'000**	Rs'000	Rs'000
ASSETS			
Non-current assets	**53,057,419**	48,532,065	41,756,076
Current assets	**6,908,841**	8,330,736	6,623,689
Non-current assets classified as held for sale	**76,224**	50,187	28,713
Total assets	**60,042,484**	56,912,988	48,408,478
EQUITY AND LIABILITIES			
Capital and reserves	**17,187,949**	16,471,949	16,480,745
Non-controlling interests	**18,945,636**	17,528,561	16,230,439
Total equity	**36,133,585**	34,000,510	32,711,184
LIABILITIES			
Non-current liabilities	**14,991,953**	13,820,404	9,017,254
Current liabilities	**8,916,946**	9,092,074	6,680,040
Total equity and liabilities	**60,042,484**	56,912,988	48,408,478

YEAR ENDED JUNE 30, 2017

Notes to the financial statements

41. FINANCIAL SUMMARY (CONT'D)

(b) **THE COMPANY**

		Year ended June 30, 2017	Year ended June 30, 2016	Year ended June 30, 2015
		Rs'000	Rs'000	Rs'000
Statements of profit or loss and other comprehensive income				
Turnover		**418,612**	452,637	486,874
Profit before taxation		**158,507**	199,345	225,351
Income tax expense		**(546)**	395	(2,224)
Profit for the year		**157,961**	199,740	223,127
Other comprehensive income for the year		**313,343**	399,836	(468,550)
Total comprehensive income for the year		**471,304**	599,576	(245,423)
Dividend per share				
- Interim	Re.	**0.39**	0.39	0.39
- Final	Re.	**0.30**	0.39	0.39
Earnings per share	Rs.	**0.74**	0.93	1.04

	June 30, 2017	June 30, 2016	June 30, 2015
Statements of financial position	**Rs'000**	Rs'000	Rs'000
ASSETS			
Non-current assets	**15,947,148**	15,566,950	15,122,054
Current assets	**422,157**	488,894	493,692
Total assets	**16,369,305**	16,055,844	15,615,746
EQUITY AND LIABILITIES			
Capital and reserves	**14,486,926**	14,163,172	13,730,392
LIABILITIES			
Non-current liabilities	**1,659,461**	1,648,815	1,677,458
Current liabilities	**222,918**	243,857	207,896
Total equity and liabilities	**16,369,305**	16,055,844	15,615,746