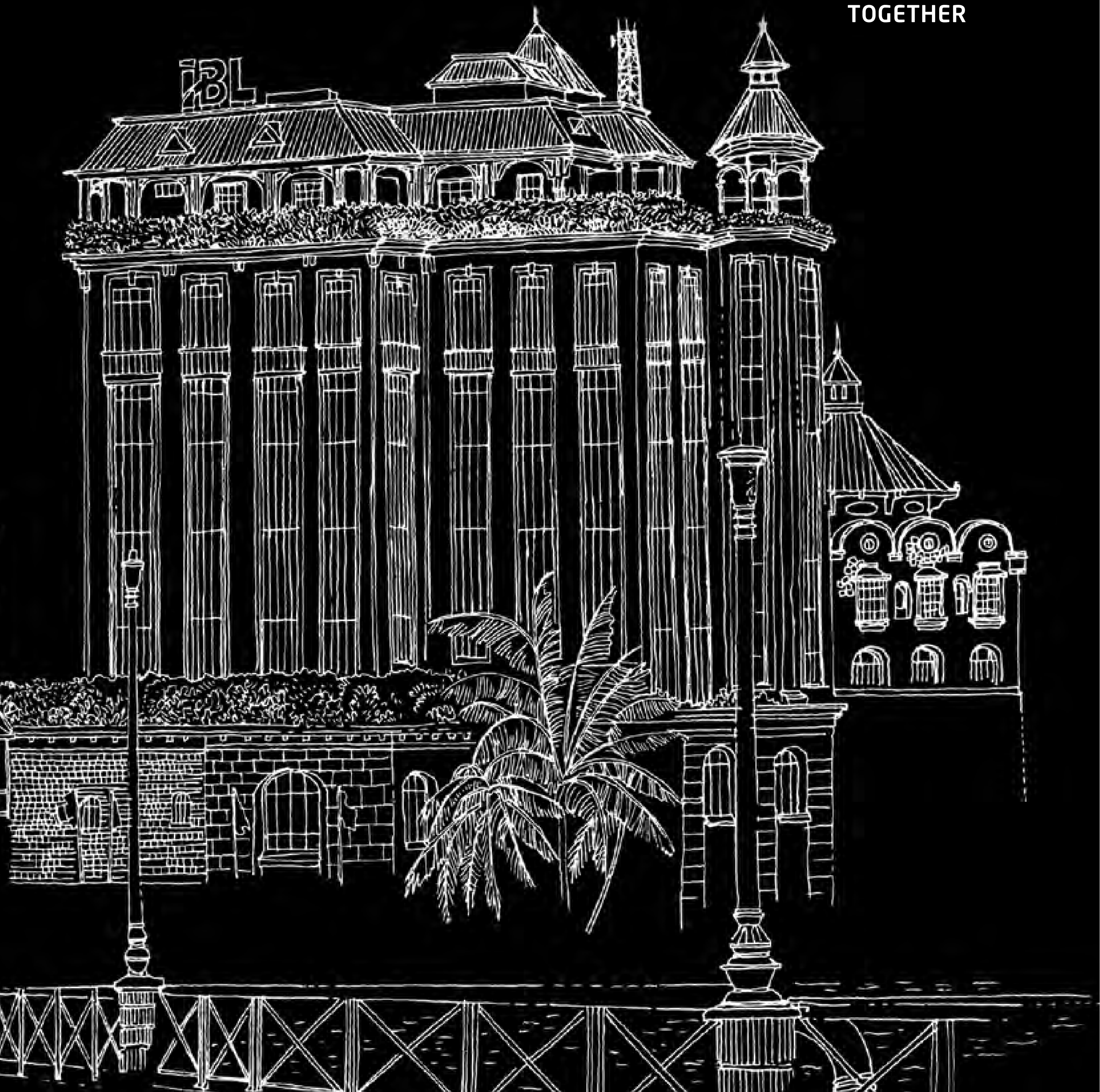
INTEGRATED REPORT 2017

TOGETHER



IBL believes that innovation, creativity and exposure to new ideas help us to grow and remain competitive, both as a Group and as a nation. IBL is deeply committed to protecting our common heritage and helping a vibrant artistic and cultural scene emerge in Mauritius. We believe this will make our country a more vibrant and stimulating place to live and work, and allow us to retain our brightest minds while attracting the world's best talent.

As part of this commitment, IBL has asked a talented local artist to illustrate this year's Integrated Report. Brian Lamoureux is a Mauritian illustrator, painter and a graphic designer who has received international prizes for his work. He is inspired by the cities and heritage that surround him and, from a young age, could be found wandering the streets, sketching colonial houses.

THiNK Green

As part of its ongoing programme to help protect the environment, IBL Ltd subsidiaries have chosen to use Lenza Green paper for their Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC (Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993.

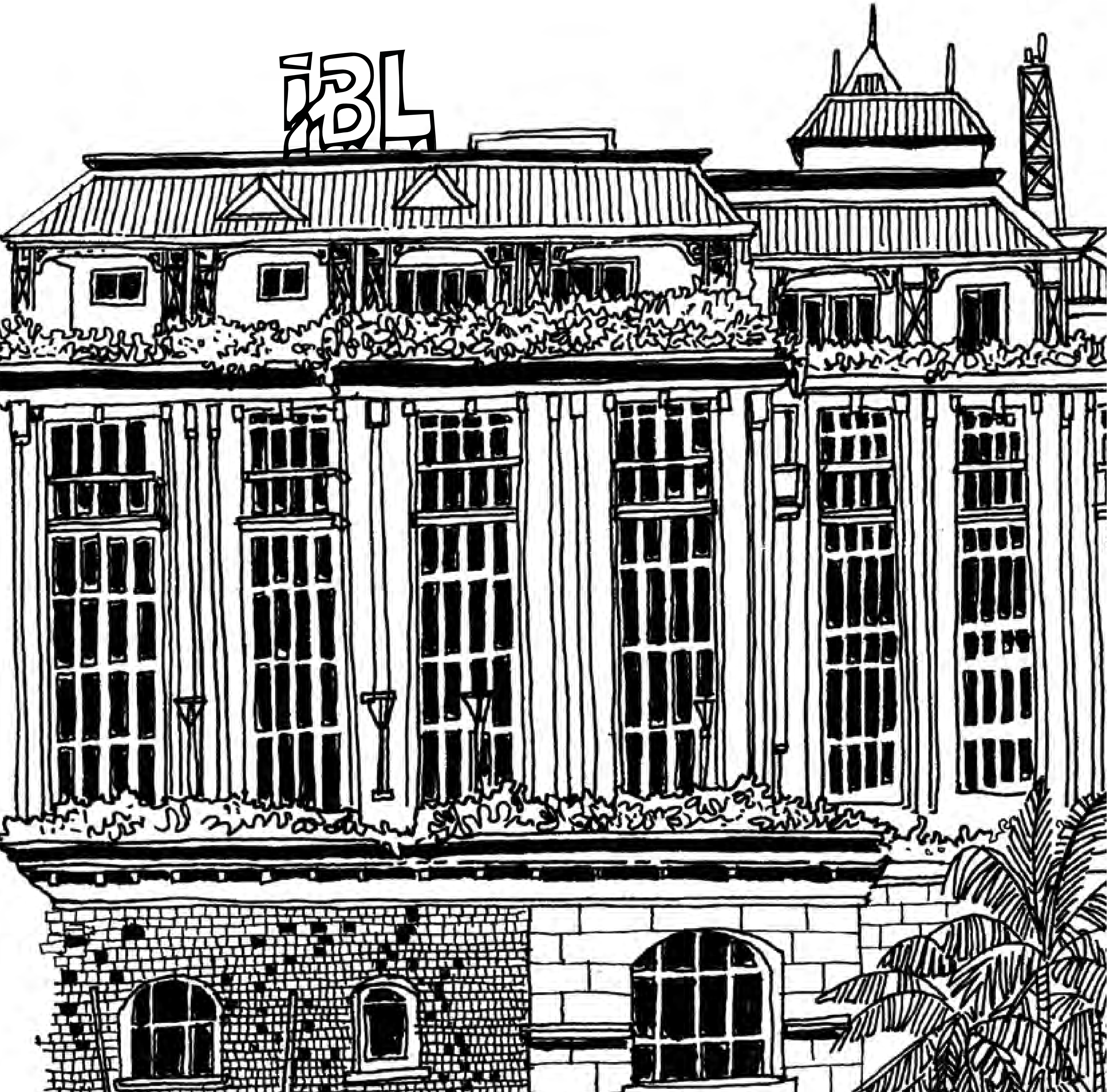
It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40/40
Fossil CO_2 emissions from manufacturing:	18/20
Waste to landfill:	10/10
Water pollution from bleaching:	10/10
Organic water pollution:	9/10
Environmental management systems:	10/10

Edited & Designed by Beyond Communications
Curated by THE THIRD DOT

Contents


iBL

WHO WE ARE

VISION

Creating a brighter future for all.

MISSION

As a diverse and responsible corporate citizen, we enhance the talent of our people and inspire them to better serve our stakeholders in a trustful, open and efficient way.

VALUES

People 1st, Passion, Integrity, Excellence, Responsibility and Creativity.

IBL AT A GLANCE

1st **Mauritian Group (2017 Top 100 Companies)**

market capitalisation on the Stock Exchange of Mauritius (excluding financial institutions)

REVENUE

Rs 33.8 BILLION
USD 975 Million
(2016/17 FINANCIAL YEAR)

PROFIT FROM OPERATIONS

Rs 2.7 BILLION
USD 77 Million
(2016/17 FINANCIAL YEAR)

Present in
25 countries

21,800 + TEAM MEMBERS
including associates and joint ventures

300 + COMPANIES

---

8 Companies listed on the **Stock Exchange of Mauritius**

3 Companies listed on the **Mauritius Sustainability Index**

12,500 +
SHAREHOLDERS

100%
MAURITIAN

9 SECTORS OF ACTIVITY

IBL AGRO	IBL BUILDING & ENGINEERING	IBL COMMERCIAL
IBL FINANCIAL & OTHER SERVICES	IBL HOSPITALITY	IBL LIFE
IBL LOGISTICS	IBL MANUFACTURING & PROCESSING	IBL PROPERTIES

Corporate Social Responsibility
FJL's three main areas of intervention:
Community Development, Education and Health

FONDATION Joseph Lagesse

IBL GROUP STRUCTURE

As at 30 June 2017

IBL AGRO

Alteo (27.64%) (A)

IBL COMMERCIAL

BrandActiv (O)
HealthActiv (O)
Winner's (100%) (S)
Intergraph (100%) (S)
Escape (100%) (S)
Blychem (100%) (S)

IBL HOSPITALITY

LUX* Resorts & Hotels (39.27%) (S)

IBL BUILDING & ENGINEERING

UBP (33.14%) (S)
Manser Saxon (85%) (S)
CMH (100%) (S)
Scomat (100%) (S)
ServEquip (100%) (S)
DieselActiv (100%) (S)
IBL Biotechnology (90%) (S)
CNOI (60%) (S)

IBL FINANCIAL & OTHER SERVICES

AfrAsia (30.10%) (A)
DTOS (100%) (S)
Abax (47%) (A)
Mauritian Eagle Insurance (60%) (S)
Mauritian Eagle Leasing (95%) (S)
City Brokers (50%) (JV)
Confido Holding (33.3%) (A)
- EllGeo (Re) (100%) (A)

LCF Securities (25%) (A)
The Bee Equity Partners (34.95%) (S)
Alentaris (75.51%) (S)
IBL Link (100%) (S)
- The ConcreAte Agency (80%) (S)
- i-Spy 360° (45%) (A)
- Universal Media (34%) (A)

IBL PROPERTY

Bloomage (100%) (S)

IBL LOGISTICS

Logidis (100%) (S)
Somatrans (75%) (S)
Ground2Air (100%) (S)
Australair (50%) (A)
Arcadia Travel (100%) (S)
Reefer Operations (100%) (S)
G2A Camas (50%) (A)

IBL LIFE

IBL Life (100%) (S)
- CIDP (80%) (S)
- QuantiLAB Holding (50%) (S)

Proximed (50%) (S)

IBL MANUFACTURING & PROCESSING

Phoenix Beverages (21.66%) (S)
Seafood Hub (85%) (S)
- Froid des Mascareignes (70%) (S)
- Marine Biotechnology Products (67%) (S)
- Cervonic (96%) (S)
- Mer des Mascareignes (50%) (A)
- Princes Tuna (Mauritius) (43.69%) (A)

Nutrifish (24.01%) (A)
Aquatic Proteins (70%) (S)
Fresh Cuts (100%) (S)
Volailles et Traditions (50%) (A)
La Tropicale Mauricienne (100%) (S)

CSR

Fondation Joseph Lagesse (S)
Small Step Matters (S)
Chemin Rail & Amaury Housing Co. Ltd (S)

Key Table
(A): Associate
(JV): Joint Venture
(S): Subsidiary
(O): Operations

From left to right:
Jean-Pierre Lagesse, Martine de Fleuriot de la Colinière, Yann Duchesne, Jean-Claude Harel, Jean Ribet, Maxime Rey, Thierry Lagesse, Arnaud Lagesse, Gilles Michel, Pierre Guénant, Jason Harel, Hugues Lagesse, Jan Boullé, San T. Singaravelloo
(Directors' profiles on page 129)

IBL GROUP ORGANIGRAMME

Chairman of the Board of Directors
Jan Boullé

Executive Assistant
Annelise Nicolin

Group CEO
Arnaud Lagesse

PROJECTS OFFICE:

Head of Strategic Projects
Patrice Robert (Seconded)

Strategic Initiatives & Integration
Jean-Luc Wilain (Seconded)

Group Strategic Innovation & Excellence Executive
Delphine Lagesse

- **Alentaris**
CEO – Thierry Goder
- **Alteo**
CEO – Patrick d'Arifat
- **Bloomage**
CEO – Robin Hardin
- **IBL Life**
Head of IBL Life - Géraldine Jauffret
CIDP - (CEO: Jean-Louis Roulle)
Quantilab - (Managing Director: Bertrand Baudot)
Proximed - (Sanjay Banydeen)
- **Intergraph**
CEO – Patrick Macé
- **i-Spy 360°**
CEO – David Commarmond
- **LUX* Hotels & Resorts**
CEO – Paul Jones
- **Phoenix Bev**
CEO – Bernard Theys
- **The ConcreAte Agency**
CEO – Amaresh Ramlugan
- **The United Basalt Products**
CEO – Stéphane Ulcoq
- **Universal Media**
GM – Patricia Aliphon

Group CEO – Operations
Yann Duchesne

- **BrandActiv & HealthActiv/MedActiv**
COO – Aldo Létimier
- **Engineering**
COO – Fabrizio Merlo
- **Logistics, Aviation & Shipping**
COO – Daniel (Danny) Ah Chong
- **Marine**
COO – Jean-Yves Ruellou
- **Seafood**
COO – Patrice Robert
- **Winner's**
COO – Jean-Michel Rouillard

Group Head of Financial Services & Business Development
Jean-Claude Béga

Heads of Financial Services
Laurent de la Hogue,
Sattar Jackaria

- **AfrAsia**
CEO – Sanjiv Bhasin
- **ABAX**
CEO – Richard Arlove
- **City Brokers**
CEO – Patrick Bouic
- **DTOS Group**
CEO – Jimmy Wong
- **ELLGeo -RE**
CEO – Avishan Askurn
- **LCF Securities**
CEO – Rajiv Lutchmiah
- **Mauritian Eagle Insurance**
CEO – Derek Wong
- **Mauritian Eagle Leasing**
CEO – Xavier Lagesse
- **The Bee Equity Partners**
CEO – Olivier Fayolle

BUSINESS DEVELOPMENT

STRATEGIC INITIATIVES & INTEGRATION
Head of Business Development
Jean-Luc Wilain

MERGERS & ACQUISITIONS
Head of Business Development
Hubert Leclézio

Group CFO
Dipak Chummun

Group Head of Corporate Services
Thierry Labat

Group Chief Human Capital Officer – Hubert Gaspard

Head of Communication and Public Relations
Aurélie Antoine

Head of IT – Laurent Fayolle

Head of Legal & Corporate Affairs, Ethics Officer – Olivier Decotter

Manager – FJL
Martine Hennequin

OUR LEADERSHIP

Danny Ah-Chong
COO Logistics

Aurélie Antoine
Head of Communication & PR

Richard Arlove
CEO ABAX

Avishan Askurn
CEO ELLGEO

Sanjay Banydeen
CEO Proximed

Bertrand Baudot
Managing Director QuantiLab

Jean-Claude Béga
Group Head of Financial Services & Business Development

Sanjiv Bhasin
CEO AfrAsia

Patrick Bouic
CEO City Brokers

Dipak Chummun
Group CFO

Patrick d'Arifat
CEO Alteo

Doris Dardanne
Group Corporate Secretary

Olivier Decotter
Head of Legal and Corporate Affairs, Ethics Officer

Laurent de la Hogue
Head of Financial Services

Yann Duchesne
Group CEO - Operations

Laurent Fayolle
Head of IT

Olivier Fayolle
CEO The Bee Equity Partners

Hubert Gaspard
Group Chief Human Capital Officer

Thierry Goder
CEO Alentaris

Robin Hardin
CEO Bloomage

Martine Hennequin
Manager - FJL

Sattar Jackaria
Head of Financial Services

Géraldine Jauffret
Head of IBL Life

Paul Jones
*CEO LUX**

Thierry Labat
Group Head of Corporate Services

Arnaud Lagesse
Group CEO

Delphine Lagesse
Group Strategic Innovation & Excellence Executive

Xavier Lagesse
CEO MELCO

Hubert Leclézio
Head of Business Development M&A

Aldo Létimier
COO BrandActiv

Rajiv Lutchmiah
CEO LCF Securities

Patrick Macé
CEO Intergraph

OUR LEADERSHIP

Fabrizio Merlo
COO Engineering

Patrice Robert
COO Seafood

Jean-Louis Roulle
CEO CIDP

Jean-Michel Rouillard
COO Winner's

Jean-Yves Ruellou
COO CNOI

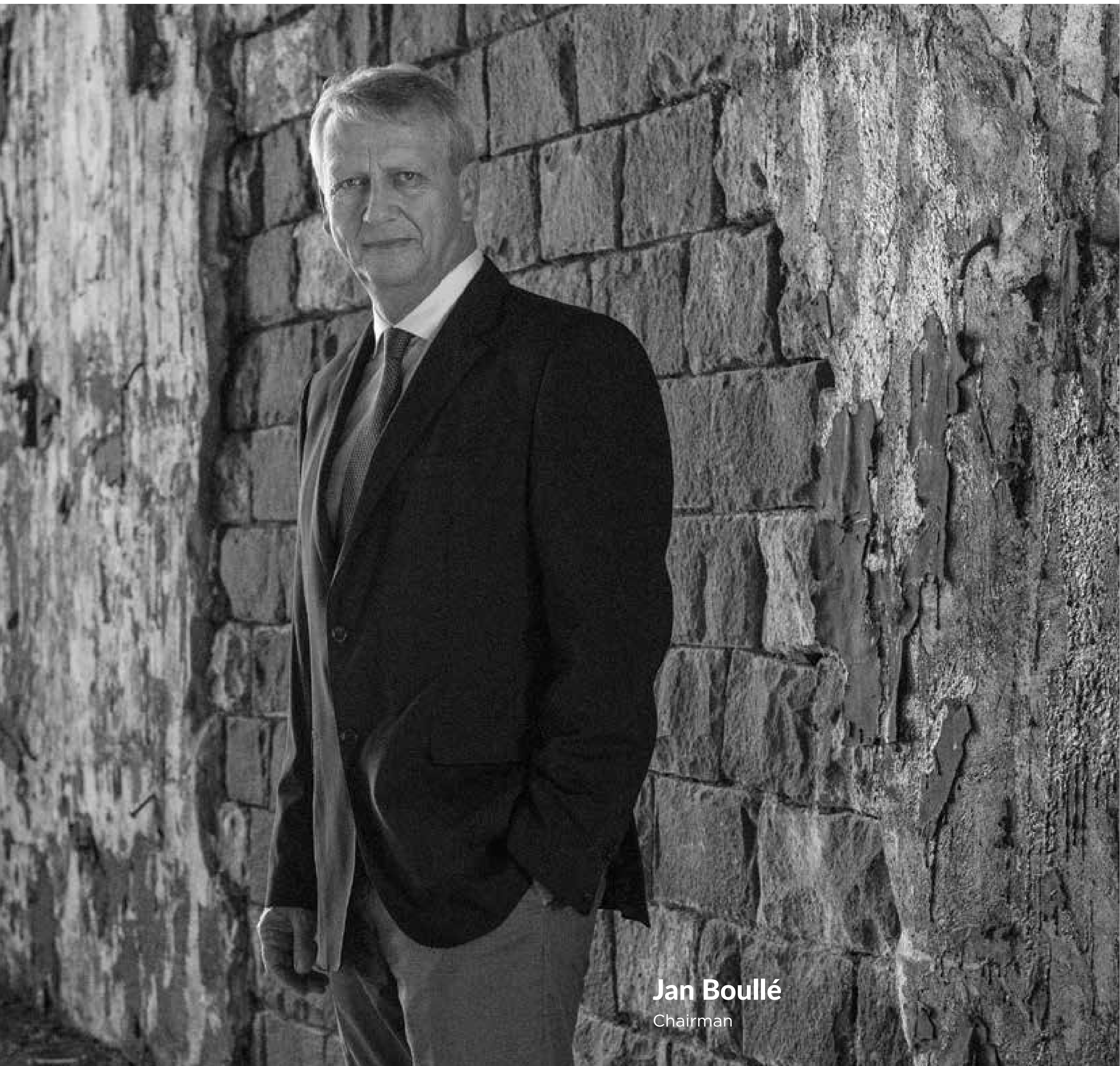
Bernard Theys
CEO Phoenix Bev

Stéphane Ulcoq
CEO UBP

Jean-Luc Wilain
Head of Business Development - Strategic Initiatives & Integration

Derek Wong
CEO MEI

Jimmy Wong
CEO DTOS Group



Jan Boullé
Chairman

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDER,

It is my pleasure to write to you as the Chairman of IBL Ltd after a transformational year for our Company and our new Group.

The macroeconomic context

In the past financial year, IBL Ltd benefitted from a set of favourable market circumstances despite international political and economic uncertainty that dampened global growth. Mauritius' GDP grew by 3.7% in 2016/17, outperforming the global average of 2.3%. In Mauritius, the tourism sector remained one of the fastest-growing sectors of the economy, with tourist arrivals up 10.6% compared to last year, though average spend per arrival fell slightly. The construction industry enjoyed modest growth after several years of contraction, while the ICT, financial services and health sectors all performed strongly. Domestic consumption rose and world sugar prices reached an all-time high as demand outstripped supply in key markets, particularly in East Africa for instance.

IBL Ltd's performance in 2016/17

IBL Ltd posted solid results for 2016/17. Since it was listed on the Mauritian Stock Exchange on the 14th of July 2016, after its amalgamation, its share price has risen 74%, from Rs 25.65 to Rs 45 at the time of writing. This reflects both the favourable market conditions in which IBL operated this year and strong investor confidence in IBL's ability to perform and deliver value to shareholders in the long term. Dividends also appreciated substantially compared to those paid out pre-amalgamation, with a total dividend of Rs. 0.65 paid this year.

Figures	
Increase in share price since 14 July 2016	74%
Dividends paid	Rs 442 Million
Market Capitalisation	Rs 30.4 Billion (USD 877 Million)

A "start up" culture at IBL Ltd

It has been a year since GML Investissement Ltée (GMLI) and Ireland Blyth amalgamated with the intention of positioning IBL Ltd for strong growth, both in Mauritius and internationally, by pooling GMLI and Ireland Blyth's talents, asset bases or cash flows.

Today, IBL Ltd is an undisputed economic leader in Mauritius and the region as it consists of over 300 companies clustered into nine business segments, with world-class skills in over 15 different professions and a presence in 25 countries.

While strengthening its ambitious "start-up" culture, IBL continues its consolidation and development and encourages its employees to embrace a spirit of innovation and entrepreneurship in line with the Vision, Mission and Values – People First, Passion, Excellence, Responsibility and Creativity – that the Group defined this year (see page 43 of this report). IBL's leadership is working to disseminate these Values to team members. We believe that this will serve as a catalyst for the Group's development.

A strategy with a renewed focus on regional and international growth

The Group has also set out a strategic plan to reinforce our Mauritian activities while building up our regional and international presence. We intend to combine strong businesses in traditional sectors with investments in the sectors of the future, whose risks will be carefully monitored.

Our new strategic plan was established following a six-month strategic review with Mc Kinsey (Paris Office) which classified the Group's activities based on their maturity, potential and ambitions for local, regional and international growth.

In line with our ambitions and our intention to promote innovation throughout the Group, IBL is also implementing a Digitalisation Strategy while adapting to the challenges and opportunities of e-commerce.

Good governance

Continually assessing and improving upon IBL's governance is a key priority for IBL's Board of Directors. As the largest business Group in Mauritius outside of the financial sector, IBL has a responsibility to constantly update its governance to reflect emerging best practices and regulatory changes. We also believe that robust governance improves the efficiency of our decision-making and benefits the Group.

Two independent female Directors were appointed to the Board this calendar year to promote diversity and improve oversight of the Group's activities. The Board now consists of a total of four independent Directors. This has allowed us to improve the composition and effectiveness of our three Board Committees and to move towards compliance with the new Code of Corporate Governance for Mauritius (see page 125 of the Governance chapter of this report for more).

In accordance with this new Code, IBL is reporting on an "apply and explain" basis this year. It has also reviewed the Group's Governance Charter and its annexes, amending them where necessary (including by adding a Securities Trading Code of Conduct, and a Directors' Code of Conduct) in order to bring them in line with the needs of IBL Ltd post-amalgamation. In addition, we are in the process of reviewing our previous Code of Ethics to align it with IBL's Values and international standards. These activities are described in more detail in the Governance chapter of this report (page 125).

Building a brighter future for all

Fondation Joseph Lagesse
In accordance with IBL's values and vision of creating a brighter future for all, the Group continues to support the communities in which it is active. The Fondation Joseph Lagesse has been working to eradicate pockets of extreme poverty and deprivation in Mauritius for over a decade. A report on its activities can be found on page 112 of this report.

Sustainable development
IBL intends to implement a Group-level sustainability strategy that will place sustainability considerations at the heart of our decision-making. We believe that sustainability is both an ethical imperative and an opportunity for innovation. Our Sustainability report on page 119 provides an explanation of our approach.

Integrated reporting
IBL is starting its journey towards integrated reporting (IR). As a diversified Group with a substantial local footprint, IBL has a duty to report to its shareholders and to a wider group of stakeholders. This IBL's first Integrated Report, therefore sets out the Group's strategy and business model as well as the risks and opportunities it faces.

Group outlook for FY 2017/18

IBL is putting strategic and operational initiatives into place to continue to deliver sustained growth in the future. This will involve the expansion of our regional and international initiatives and investment in new growth sectors.

During the year to come, IBL will drive forward its three-year Human Capital Plan (set out in greater detail on page 42 of this report), the creation of a values-based "IBL Together" culture and the Group's Digital Strategy.

Acknowledgements

I would like to thank my fellow Board members for their contributions and dedication this year. It has been a challenging but rewarding year, and IBL owes its success to its employees and Executive Team under the leadership of its Group CEO, Arnaud Lagesse. On behalf of my fellow Board members, I thank the entire IBL team for their hard work.

Finally, I would like to pay my respects to Robert Lagesse, who passed away on the 31st of July 2017. Robert was a Director of the Company for 28 years until his resignation in 2012. He was a man of great humanity and honour whose generosity was recognised by his peers. He will be greatly missed.

Jan Boullé
Chairman of the Board of Directors

Arnaud Lagesse
Group Chief Executive Officer

GROUP CHIEF EXECUTIVE OFFICER'S REPORT

DEAR SHAREHOLDER,

I am delighted to present IBL Ltd's Integrated Report for the 2016/17 financial year.

A successful new Group

As reported in last year's Annual Report, we successfully completed the amalgamation between GML Investissement Ltée (GMLI) and Ireland Blyth Ltd to create IBL Ltd.

The main challenge of the amalgamation was to create a group that would be better positioned to deliver growth in Mauritius, the wider region and beyond. Since then, we have reinvented our Corporate Centre in the heart of Port Louis to create an inspiring workspace in which our merged teams can work together to drive IBL's strategy forward. We are also reaping the fruit of operational synergies by combining best practice from the former Ireland Blyth and GMLI.

I am invigorated by the market's confidence in our Group. IBL's share price rose 74% between our launch on the 14th of July 2016 and our Board meeting on the 25th of September 2017. Our latest success has been our bond issue, which was oversubscribed five times over. These two achievements demonstrate the market confidence that we enjoy and our ability to attract investors and raise finance, all of which will be helpful for our future development.

A Group that is "starting up"

One of the key challenges that IBL faces post-amalgamation is the creation of a single culture out of two different, yet complementary, ways of working. This "IBL Together" culture must embody and reflect the Group's Vision, Mission and Values (VMV), while preserving our people's capacity for agility, dynamism and innovation. We have made very good progress towards this goal.

We also aim to encourage entrepreneurship at every level within the organisation. This is what we mean when we say that IBL is "starting up". This "start-up" mind-set sets us apart and pushes us to achieve excellence. I believe that this is crucial if we are to remain one of Mauritius' leading diversified groups and establish ourselves as a regional player.

Our VMV were defined over the course of several working sessions earlier this year. They are bold and ambitious, and will form the foundation of our decision-making process and our future endeavours. We have conducted training sessions and workshops and designated Value Ambassadors to disseminate our Values throughout the Group. (See page 43 for more).

Our commitment to our Values is evident in our support of start-ups and entrepreneurship-focused businesses, including The Bee Equity Partners, a venture capital firm, and The Ground Co-Working Space. Initiatives run by our businesses, such as the vocational training offered by our Building & Engineering cluster, also promote innovation.

Our values are the bedrock of the IBL Together culture:

PEOPLE 1ST

EXCELLENCE

PASSION

INTEGRITY

RESPONSIBILITY

CREATIVITY

A transformational strategy

IBL is pursuing a transformational group-wide strategy, following a six-month review conducted with the assistance of management consulting firm McKinsey & Co. The strategy is intended to be simple but comprehensive and sets ambitious but achievable targets for the Group.

The aim of the strategy is to strengthen our Mauritian core in order to pursue far-reaching regional and international expansion and become the region's leading diversified group. It will see us invest in the businesses of tomorrow by placing digitalisation at the top of our agenda and at the heart of our client experience.

To do this, we will need to reinvent our business models, rethink our internal structure and promote a collaborative working environment by leveraging our most crucial asset: the professionalism and world-class expertise of our people.

Measures to transform the Group

IBL's strategy classifies each of our Businesses according to whether they should remain part of IBL's Mauritian "core" or aim for regional or international growth. It also sets out a number of initiatives to strengthen or rationalise each Business and help it deliver its part of the Group strategy.

In addition to the initiatives relating to our Businesses, the strategy sets out measures to transform IBL's Corporate Centre.

Each step of the strategy and team members' roles and responsibilities have been clearly defined. We have set ourselves ambitious timelines to achieve these objectives and intend to complete most of them within two to three years. We have also created a dedicated Strategy Project Office to enable and track their execution.

This is a living, breathing strategy, and it is bound to evolve as the circumstances in which our 300+ companies operate inevitably change.

Human Capital strategy

As I explained in our Annual Report last year, IBL is adopting a Human Capital (HC) strategy. Our Human Capital team will partner with the rest of the Group to help our Businesses transition to a Human Capital approach.

This is a fundamental shift away from a Human Resources approach. The aim is to proactively identify, recruit, invest in and retain the talent that we need to drive IBL's transformation in the long term. This is important because IBL recognises that our people are our greatest asset. It is why "People First" is one of IBL's core Values.

Digital strategy

Underpinning IBL's transformation is a Group-wide Digital strategy. Today, more than ever, we need to embrace change if we are to stay ahead. Disruptive technology is changing how we do business. It is crucial to start preparing for – and creating – the jobs and industries of the future. Our Digital strategy aims to keep us at the forefront of Mauritius' digital transformation and embrace the business opportunities that new technologies are creating, from e-commerce platforms to enterprise planning systems.

A dedicated team has been tasked with driving our Digital strategy forward. The team will be assisted by 600 of the Group's top managers – drawn from both the Corporate Centre and operations – whom we are currently training in the digital challenges of the future.

Performance FY 2016/17

Following our 2016 amalgamation, 2016/17 was a year of consolidation and of continuity of growth. IBL remains the largest diversified group in Mauritius in terms of market capitalisation.

Group performance

	FY2016/17 (000)	FY2015/16 (000)
Total turnover	33,842,689	30,996,394
Operating profit	2,663,911	2,341,236
Profit before tax	2,433,024	1,956,140
Gearing	48%	48%

2016/17 was a highly successful year overall. Profit before tax increased by 24%. We benefitted from a set of positive market conditions, including historically high sugar prices in East Africa, healthy growth in the tourism sector, a general improvement in the construction industry and increased consumer confidence. We successfully achieved a number of key milestones within our growth strategy, including increasing our stake in AfrAsia Bank, opening the 22nd Winner's supermarket in Quatre Bornes, consolidating Edena bottling water in Reunion, signing new agreements for LUX* hotels internationally, and winning new shipbuilding contracts with Australian clients within CNOI, to name but a few.

Group outlook

Over the coming months, we will focus on implementing our strategy, pursuing our existing plans for consolidation and/or expansion and positioning ourselves to achieve further growth. This will require dynamism, agility and rigour of execution.

On a macroeconomic level, the global economy is predicted to continue with its modest recovery but is not immune to potential downturns. The Group faces a number of geopolitical, business, strategic and human capital risks. Among the top risks are:

- Brexit, given that the United Kingdom is Mauritius' largest export market along with France; and
- Foreign exchange fluctuations that could affect the price of our Businesses' inputs and the competitiveness of Mauritius' exports.

Given our disciplined and rigorous approach to governance, the efforts we are making to review our risk management procedures and the diversity of our activities, I am confident that our Group is well-placed to deliver growth and profitability in 2017/18 and in the medium to long term.

Sustainability, CSR and Integrated Reporting

IBL believes that sustainability means contributing to the economies and societies in which we operate by employing local people and investing in social programmes that benefit vulnerable communities. It also entails preserving the environment, investing in human capital, guaranteeing responsible business practices and building stakeholder trust by improving transparency and reducing risk.

A dedicated Sustainability team is being created within IBL's Corporate Centre. The team is currently acquiring baseline data about our sustainability performance in order to develop a Group-wide strategy and report on our outcomes next year. The team will also be tasked with promoting better reporting practices throughout the Group, drawing on the experience of subsidiaries such as LUX* Hotels & Resorts.

IBL is publishing its first Integrated Report this year. This is our first step on a journey that will take several years to complete. In time, it will help us provide our stakeholders with a more holistic picture of our strategy, objectives, risks, business model(s) and performance.

Fondation Joseph Lagesse

The Fondation Joseph Lagesse (FJL) is a key part of our strategy to create value for our stakeholders.

Unfortunately, the foundation is operating in highly challenging circumstances. IBL is deeply concerned about the environment in which Corporate Social Responsibility (CSR) and non-profit entities are currently operating in Mauritius, as these are not conducive to non-profit organisations working effectively.

Despite this, FJL continues its work in areas of extreme poverty and deprivation, changing the lives of entire generations in Mauritius, especially in the communities of Bois Marchand and Chemin Rail. This year, it welcomed a new Executive Director, Martine Hennequin. I invite you to read Martine's report on the foundation's activities on page 112.

I would like to take this opportunity to thank the foundation's previous manager, Genevieve de Souza, for her dedication and passion during her time with us. She brought a strong sense of ethics and values to bear on the foundation's work. Her approach to poverty alleviation is built into FJL's DNA.

Acknowledgements

It has been a demanding year, but the foundations of the new IBL Together are now solidly in place, anchored in our Group's Vision, Mission and Values. We are now ideally positioned to transform the Group's business model and seize the business opportunities of tomorrow.

I would like to thank our engaged and proactive Board of Directors and committee members for their discipline and rigour, and for all of the work they have done to make our new Group a reality. In particular, I thank our Chairman, Jan Boullé, for his valuable support and advice throughout the year.

I would also like to express my gratitude to each and every one of our employees for their excellent work and their dedication to IBL Together. We have accomplished great things over the past year thanks to the skills and commitment of our people, some of whom have had to adapt to a new working environment and team post-amalgamation. I am hugely grateful for their resilience, flexibility and hard work. The Board and I are counting on their energy and agility to execute our new strategy and continue to transform our Group in the years ahead.

Arnaud Lagesse
Group Chief Executive Officer

Dipak Chummun
Group Chief Financial Officer

GROUP CHIEF FINANCIAL OFFICER'S REPORT

Highlights

The financial year ended 30th of June 2017 has been a year of success for IBL Ltd on multiple fronts.

At the beginning of the year, we formed the new amalgamated Company under our new brand, and started making changes that would align corporate functions. We reconfigured our corporate offices and introduced our "VMV" - Vision, Mission and Values.

Our businesses have continued to improve and grow despite market challenges. We have made a number of strategic inorganic moves to increase our stake in key sectors. Overall, our Businesses are delivering results and we are pleased to report 9% growth in Group revenue and 15% growth in underlying profits.

Looking towards the future, we undertook an extensive strategic review with McKinsey & Co, which has helped us formulate a short and medium-term strategic plan for the Group. Many of the actions set out in this plan are already well under way. This is discussed in the dedicated Strategy section on page 36 of this Integrated Report.

Our performance, approach and transparency are being well received by the market. Since the listing of IBL Ltd shares on the 14th of July 2016, our share price has risen by 74% (as of the date of our last Board meeting), significantly outperforming the market. More recently, we saw unprecedented interest in our corporate bond programme. We received five times more subscriptions than targeted, which was also the largest ever number and quantum of bids received for a corporate bond issue in Mauritius.

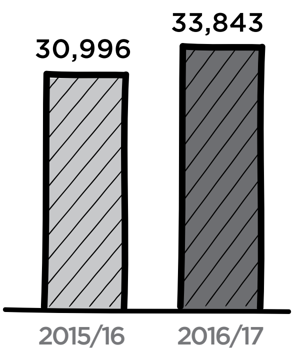
Performance for the Group for the financial year ended 30th of June 2017

From a performance perspective, IBL Ltd has had an excellent year with turnover growth of 9%, operating profit growth of 14% and growth in profit before tax of 24% versus the previous year.

Underlying profit (i.e. profit before the impact of exceptional items) was up 15% for the same period. We are intentionally monitoring our underlying profit as we believe this is a stronger measure of how our core Businesses are performing.

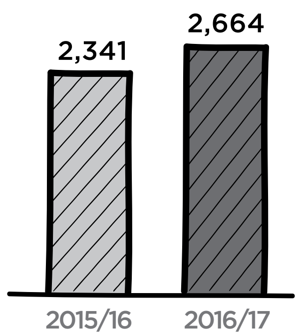
GROUP REVENUE

(Rs Million)



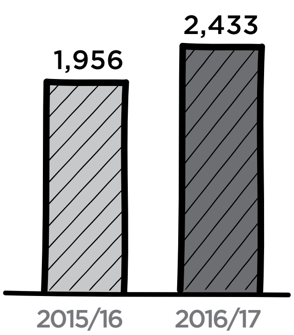
GROUP OPERATING PROFIT

(Rs Million)



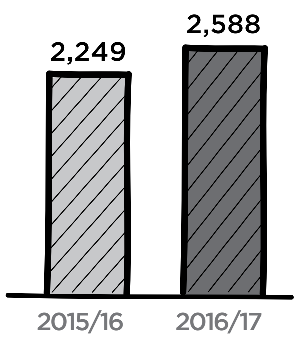
GROUP PROFIT BEFORE TAX

(Rs Million)



GROUP UNDERLYING PROFIT

(Rs Million)



Segmental performance

The table below summarises the largest movements in the performance of our Business clusters this year compared to last year. Most of our sectors have contributed to the strong performance of the Group and Company.

Year on year change by sector (figures in Rs Million)

Sector	Revenue	Operating Profit	Share of Profit from Assoc./JVs	Main Drivers
AGRO	N/A	N/A	62	• High sugar prices • Improved yields • Mainly Kenya & Tanzania
BUILDING & ENGINEERING	1,170	59	40	• Construction recovery in Mauritius; Dubai Expo 2020 • Large ship-building contracts • Offset by factory downtime at UBP
COMMERCIAL	828	42	(22)	• New supermarkets and new brands • Monoprix recently acquired
FINANCIAL & OTHER SERVICES	10	211	61	• Results driven by lower insurance claims and leasing provisions • AfrAsia and ABAX growth trajectories sustained
HOSPITALITY	56	123	N/A	• Increase in revenue per room and stable occupancy drive profits up • Operating profit includes sale and leaseback of Tamassa
LIFE	(120)	(122)	32	• Delayed US contracts affect 2016/17 results • Positive prospects going forward • Medical equipment to be added
LOGISTICS	115	(29)	N/A	• Stable Logistics business despite increased competition • Profit affected by loss on disposal of a ship
MANUFACTURING & PROCESSING	835	(4)	(94)	• Full year of Edena • Offset by Seafood pricing and Freshcuts in Uganda • Fishing quota challenge in new year but upside potential in Uganda
PROPERTY	156	3	(27)	• Bloomage created to hold property portfolio, currently being consolidated with over Rs 3 billion in immediate pipeline

Group balance sheet and gearing

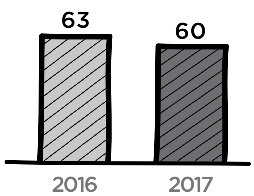
The Group's total assets grew year on year from Rs 51.1 Billion to Rs 53.0 Billion. This growth in net assets is largely attributable to PBL's acquisition of Edena in Reunion and to profits and organic growth for the rest of its Businesses.

The Group has consistently focused on optimising working capital through constant inventory management, timely debt collection and by hedging its interest and currency positions against market movements.

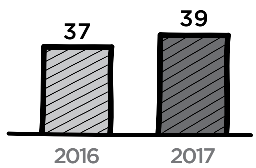
Overall trade receivable days increased slightly from 37 last year to 39 in 2017. During the same period, inventory days dropped from 63 to 60 days after adjusting for the effects of large construction contracts held as work in progress.

The Group's gearing ratio (measured as net debt/ equity + debt) as at the 30th of June 2017 was 32% (2016: 33%), which leaves room to gear up for future investments.

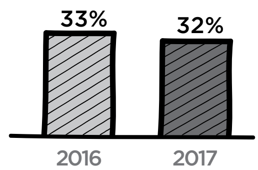
INVENTORY DAYS



TRADE RECEIVABLE DAYS



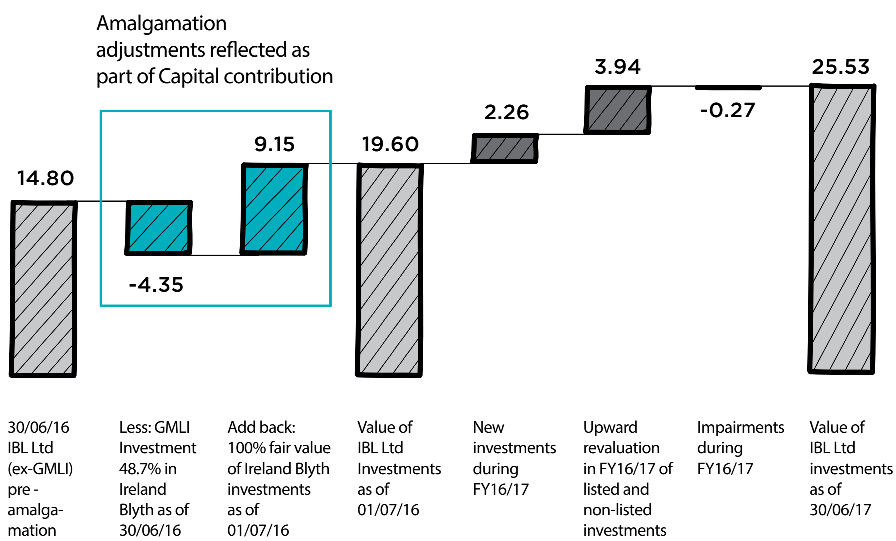
GROUP GEARING



Review of Company figures for the year

At a Company level, IBL Ltd's results for this year are not comparable on a "like for like" basis. This is due to the amalgamation. The profit and loss and balance sheet for the year ended 30th of June 2017 includes the Company results of both constituent former entities, GMLI and Ireland Blyth, whereas last year's results include only GMLI's numbers.

In the current year, we have reflected the effect of the amalgamation on the Company's investments on the face of the balance sheet. These were correspondingly reflected as part of the capital contribution upon amalgamation. The movement during the year shows the effect of (i) the amalgamation on 1st July 2016 and (ii) the revaluation during the year as follows:

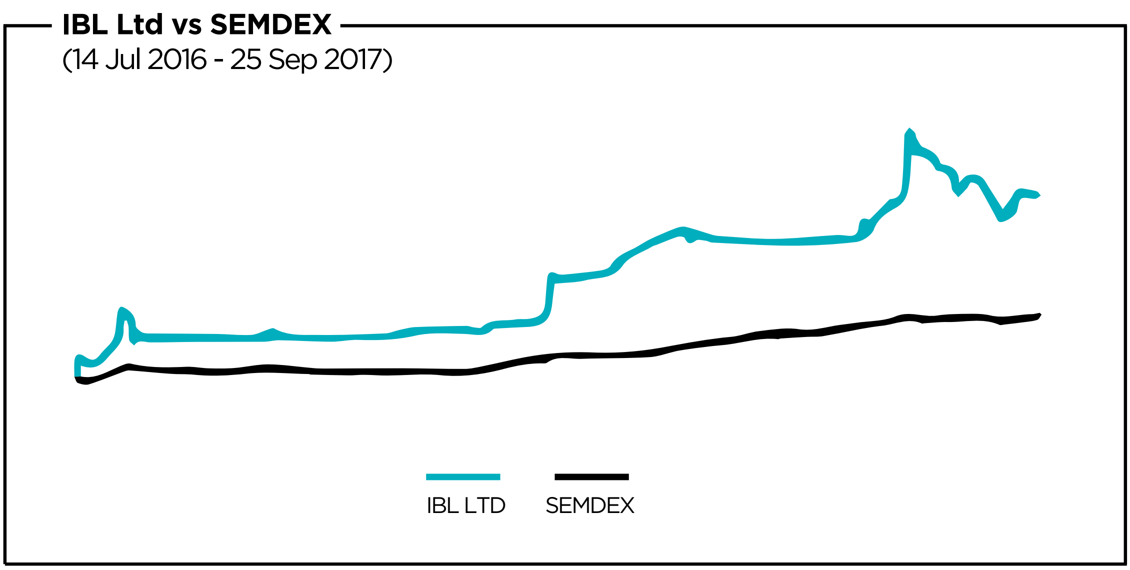


The Company's gearing ratio has increased from last year as a result of the amalgamation. It shows an increase as a result of including the operations of Ireland Blyth. Nonetheless, gearing is low at 34%, implying that the Company has the capacity to gear up more when it invests for future growth. The recent bond issue does not change the Company's gearing as the notes were used to repay existing short-term debt. In the coming financial year, we expect an increase in gearing for the Company as it continues to invest. However this will be largely offset by the repayment of existing short-term loans, so will not affect gearing.

The Company has also paid an overall dividend of Rs 0.65 per share during the year, representing Rs 442m, which is a significant increase compared to prior periods.

Market performance

The market response to the amalgamation has been very positive. Since IBL Ltd shares were listed on the SEM on the 14th of July 2016, there has been a marked increase in their value. As of the 25th of September 2017, the day of IBL's Board meeting, the market price showed an increase of 74%, reflecting investor confidence in the Group's ambitions and outperforming the market.



IBL Ltd vs SEMDEX
(14 Jul 2016 - 25 Sep 2017)

To conclude, IBL Ltd has a solid foundation on which to continue its growth. Most of its Businesses performed well this year and have significant opportunities ahead. Overall, the outlook for the Group is very positive.

Dipak Chummun
Group Chief Financial Officer

STRATEGY

STRATEGY

IBL's emergence as a Group

1972 - 2009	2010 - 2016	2016 - 2017	2017 - 2027
Laying the groundwork for the IBL of today	**Growing and diversifying Together**	**Consolidating the Group's capital and rationalising its activities**	**Priorities for 2017-2027**
1972: Blyth Brothers and Ireland Fraser merge to create Ireland Blyth Ltd **2009:** CIDL and Desmem merge to create GML Investissement Ltée **1994:** Ireland Blyth Ltd is listed on the Mauritius Stock Exchange	**2010:** GML Investissement Ltée becomes a majority shareholder in Ireland Blyth Ltd **2016:** Ireland Blyth Ltd and GML merge to become IBL Ltd	**July 14th, 2016:** IBL Ltd is listed on the Mauritius Stock Exchange **Second half 2016:** Teams within the Corporate Centre merge Shareholder confidence: share price rises by **74%** between July 2016 and Sept 2017	**Identifying new avenues for growth, both regionally and internationally** **Consolidating the Group's strategy** **Redefining the role of the Corporate Centre**

OUR VISION

To create a brighter future for all

OUR STRATEGIC OBJECTIVES

To become a leading regional group built around a strong Mauritian core, a culture of excellence and world-class professional expertise

Strengthening IBL's Mauritian core	Regional expansion into the Indian Ocean & East Africa	International expansion anchored in world-class professional expertise
Logistics	Manufacturing & Processing	Hospitality
Commercial	Agro	Financial Services
Building & Construction	Engineering	Seafood
CSR		Life

Supported by Group-level initiatives including:

A transformation within the Corporate Centre, to include: • a dedicated strategy team to help Businesses roll out their part of the strategic plan; • regional offices to assist with Group expansion	**A Human Capital strategy** to strengthen the skillsets and competences within the Group and ensure they are appropriately deployed	**A Digital strategy** to take advantage of opportunities presented by e-commerce and digital technology and transform the way we do business in the future

A Group headed for ambitious growth and development

With assistance from McKinsey & Co France, the Group sets out an ambitious new Group strategy this year.

This exercise was part of a wider process of "starting up" for the Group, building upon its new corporate identity and in line with its Values (People First, Passion, Integrity, Excellence, Responsibility and Creativity) a year on from its amalgamation.

The main strands of the strategy are to identify new avenues for growth, stay ahead of disruptive technology and prepare for the jobs and businesses of the future. The strategy seeks to position the Group as a regional leader able to pursue strong international growth thanks to a strong Mauritian core, a culture of excellence and world-class professional expertise.

The strategy therefore classifies each of IBL's Businesses according to whether they:

- Are part of the Mauritian "core";
- Have the potential to develop into regional leaders; or
- Can lead the Group's international expansion.

It sets out a series of targeted initiatives to transform the Group, with key activities and decisions to be taken for each sector.

The timeline to roll out these initiatives is demanding. We aim to execute many of them within 24 months. This will require dynamism and agility, and we are confident that our teams are up to the challenge.

A perfectly timed transition

IBL's strategy plays to its strengths and builds on its position of leadership in the Mauritian economy. IBL is well-placed to deliver on this ambitious strategy thanks to:

- The Group's exceptionally strong rate of growth (which exceeds that of the market);
- Positive returns on investment for the Group's Businesses, with very high returns on investment in certain operations; and
- The Group's world-class, specialist expertise in 14 professions, several of which have already been successfully exported.

The Group strategy will also allow IBL to address the following challenges in order to grow sustainably:

- Address uneven growth by strengthening and diversifying the Group's growth drivers;
- Rationalise the Group's capital investments;
- Make the most of potential synergies within the Group; and
- Pursue the opportunities presented by e-commerce and digital services.

WORLD - CLASS PROFESSIONAL EXPERTISE AT IBL

**Many of IBL's businesses are regional or international leaders.
The Group brings together world-class expertise in the following professions:**

Professions with international potential (from most to least replicable)

- ✓ Business services
- ✓ Corporate services
- ✓ Luxury hospitality services
- ✓ Corporate banking
- ✓ Monetising fish by products

Professions that could underpin regional growth (from most to least replicable)

- ✓ Power production from cane inputs
- ✓ Sugar production
- ✓ Clinical R&D trials
- ✓ Construction industry contracting
- ✓ Ship repair
- ✓ Beer bottling
- ✓ Ground handling
- ✓ Supplier brand management
- ✓ Medical equipment maintenance

Our strategic ambitions, mapped

Mauritian core	Regional reach	Expansion based on world-class expertise	Opportunistic expansion
Mauritius	Indian Ocean	Middle East	North America
	East Africa	West & Central Africa	South America
		South Africa	Oceania
		Europe	
		Asia (China, India, South-East Asia)	

Transforming our Corporate Centre

IBL's strategy will be underpinned by a transformation within the Group's Corporate Centre. This is in addition to the Corporate Centre's ongoing efforts to integrate the former Ireland Blyth and GML Investissement Ltée's teams within our Corporate Centre, a process which we reported on last year and which is described in the Human Capital section on page 45 of this report.

The intention is to create proactive teams that function as strategic business partners, providing advice and support to our Businesses as they implement their part of the Group's strategy. The Corporate Centre will tailor its approach and level of involvement to each Business according to the latter's needs.

A dedicated Strategy Project Office has also been created to oversee the implementation of the Group's strategy. In addition, IBL intends to open regional offices in Dubai and Nairobi. These offices will support the Group's Businesses as they pursue their regional growth while promoting networking and cooperation.

IBL's Human Capital strategy

To deliver on the Group strategy in line with our core value of "People First", we must sharpen the Group's leadership capacities, effectively manage and retain talent and build professional expertise.

Our Human Capital strategy is set out in detail in the "People First" section of this report (see page 42).

IBL's Digital strategy

IBL's Corporate Centre will also drive a Group-wide Digital strategy. As illustrated in the strategy diagramme above, this digitalisation strategy will be one of the foundations of the Group's future growth.

Internationally, there is a clear consensus: adopt new technologies and place them at the heart of your business, or lose your competitive advantage. As an innovative and entrepreneurial Group, IBL's ambition is to lead the digital transformation of Mauritius' professions. The challenge is not only to solve individual business problems with technology; it is to create a vision for how technology will transform our businesses altogether.

This will require a clear digital strategy and roadmap, driven by a culture of innovation in which change and controlled risk-taking are the norm.

In order to achieve this, IBL aims to:

- Communicate the importance and urgency of embracing technology and new ways of working to its leadership;
- Create a "Delivery Lab" at Group level to drive the Corporate Centre's digital transformation and serve as a business partner to our Businesses, advising them on their own transformations;
- Build digital expertise in key professions;
- Work with our Businesses to define how digital technologies could transform their business' client experience, products, services and processes; and
- Develop pilot projects (such as the Winner's B2C e-commerce platform, B2B platforms aimed at HealthActiv and BrandActiv's suppliers, an online platform for the IBL loyalty card...) within the next six months.

PEOPLE FIRST: IBL'S HUMAN CAPITAL STRATEGY

PEOPLE FIRST: A COMMITMENT TO OUR STAKEHOLDERS

"People First" is an IBL core value.

Simply put, "People First" is a commitment that we make to:

- One another as colleagues, to ensure that we all contribute to IBL being a great place to work, and that we are able to progress in our careers, be fulfilled in our work and grow together;
- Our clients and suppliers, to be trustworthy, dependable and fair, and that bad practice will not be tolerated;
- Society at large, that we will act in the best interest of the places that we operate in, by giving back to the underprivileged and by improving educational opportunities in particular; and
- Our shareholders and investors alike, that we will continue to create sustainable wealth.

It is a commitment to place people at the heart of the Group's strategy and decision-making.

People First

Respect: As colleagues, we all aim to create a working environment in which respect and courtesy prevail.

Talent development: We are committed to investing in our people and developing their leadership abilities and professional expertise.

Collaboration: We believe that teamwork, dialogue and the exchange of knowledge between our colleagues at every level of the Group allow our people and Businesses to grow together.

Recognition: We are committed to valuing and rewarding both individual achievements and team efforts.

Empathy: We believe that the ability to listen, understand and support one another as colleagues is a crucial mark of respect and of good leadership.

Building an IBL Group culture

People First embodies the IBL Together culture – characterised by empathy, respect and teamwork – that we ask all of our people to help us create. IBL's sustainability depends in part on our ability to pull together as a single team and to create a culture of entrepreneurship and innovation across the Group.

This year, we continued our work to shape a single corporate culture out of ex-Ireland Blyth and GML Investissement Ltée's different yet complementary ways of working.

Defining our Vision, Mission, Values (VMV)

IBL set out its Vision, Mission and Values (VMV) this year. Our VMV will support IBL's strategic and business decisions, approach to resource management and sustainable development policy.

The process of defining our VMV involved a working seminar with an external consultant and an official presentation to the managers and employees of IBL's Corporate Centre on the 15th of December 2016. We are now broadcasting our VMV throughout the Group and incorporating it into our way of working. 850 employees took part in a Corporate Values Day led by an external consultant, and Values Ambassadors have been designated to help disseminate the VMV among their peers.

Merged teams to support IBL's Businesses

One of IBL's earliest challenges was to merge the functions previously undertaken by different Ireland Blyth and GML Investissement Ltée teams within IBL's Corporate Centre. This process began last year and is ongoing.

In addition to the integration committee previously created to guide this process, we have designated staff ambassadors and created a suggestion box and a newsletter ("Step Up") to better communicate with employees. The Corporate Centre's premises were also refurbished in the spirit of our VMV, and new meeting spaces as well as leisure areas were created.

The Corporate Centre's management team took part in workshops and were offered coaching to facilitate the integration process.

As a next step, the Corporate Centre is standardising the merged teams' conditions of employment, by:
- Updating job descriptions;
- Creating new employment contracts for certain employees; and
- Updating induction and training programmes to meet the teams' new needs.

Creating an ongoing dialogue with our stakeholders

To successfully create an IBL Group culture, it is crucial to establish a constant dialogue with our stakeholders (employees, customers and partners). This dialogue allows our teams to gain a better understanding of the Group's different businesses and to communicate more effectively. The Corporate Centre's management team therefore visited a number of the Group's Businesses last year. We plan to offer other employees an opportunity to visit Group Businesses later this year.

We also seek to establish an ongoing dialogue with other stakeholders, to raise awareness of our Group's Businesses and receive feedback to improve our products, services and ways of working. The Group hosts or sponsors networking events built around the IBL Values of innovation and creativity, including art exhibitions, the Porlwi festival and a TILT evening in partnership with L'Éco Austral.

A Human Capital roadmap for the future

People First is also a recognition that IBL's people are its greatest asset, and that they must be recognised and developed in order to flourish, innovate and create value for the Group. With People First, IBL commits to identifying and developing key talent; recognising achievements; and rewarding its people accordingly.

In line with the three-year Human Capital (HC) strategy that IBL adopted last year, our HR department has been transformed into a dynamic and proactive Human Capital team.

The HC team is now adapting the IBL Corporate Centre's HR processes to ensure they are compatible with a Human Capital approach. Its next challenge will be to drive a Human Capital transformation across the Group's Businesses. To do this, it will act as a business partner, providing them with tailored support, advice and assistance according to their needs and sector of activity. The aim is to help them adopt an HC approach in order to achieve their business objectives.

The main strands of IBL's Human Capital strategy consist of:

Standardising the Group's Human Capital approach

The HC team will review and standardise HC practices across both IBL's Corporate Centre and the Group's Businesses, starting with:

A thorough review of IBL's HC and salary practices in collaboration with the Korn Ferry Hay Group

The implementation of a new Performance Management System (PMS)

The digital transformation of some of the Group's HC practices

IBL continues to bring together HC expertise across the Group via dedicated forums and regular meetings with its Businesses' Human Capital/Human Resources teams.

IBL's Remuneration Policy

IBL Ltd has now established a remuneration framework for management roles within its Corporate Centre and fully-owned Businesses. We have created job bands with clearly defined ranges for salaries, benefits and total packages. These ranges will be regularly benchmarked against the Mauritian market to ensure that our remuneration remains competitive and appropriate.

This policy helps retain key talent and reward high-potential employees. IBL places particular emphasis on rewarding individual and business performance based on annual reviews.

The next step will be to define job bands for non-managerial employees. A pilot project will be launched within the Corporate Centre and some of IBL's Businesses in 2017/18.

Reinforcing its succession and staff planning

IBL has defined a number of key roles that will allow its Corporate Centre and Businesses to deliver IBL's strategy to 2020. IBL will also review and update the Group's succession plans.

IBL recognises the necessity of retaining and managing key talent. Measures to achieve this include:

- Identifying high-potential employees within the Corporate Centre and Businesses;
- Retaining key talent and managing their careers by offering them opportunities for development within the Group; and
- Equipping the Group's top 50 executives and managers with the right skills and mind-sets to help us deliver on our objectives.

Helping Businesses with training and development

In addition to the training offered by IBL's Corporate Centre, the HC team aims to support the Group's Businesses by:

- Helping them scale up their internal training and development;
- Helping adapt those training models for other professions, with a particular focus on vocational training in professions for which there is international demand; and
- Offering managers from the Group's Businesses appropriate training on how to manage and develop their talent.

Proactively attracting top talent

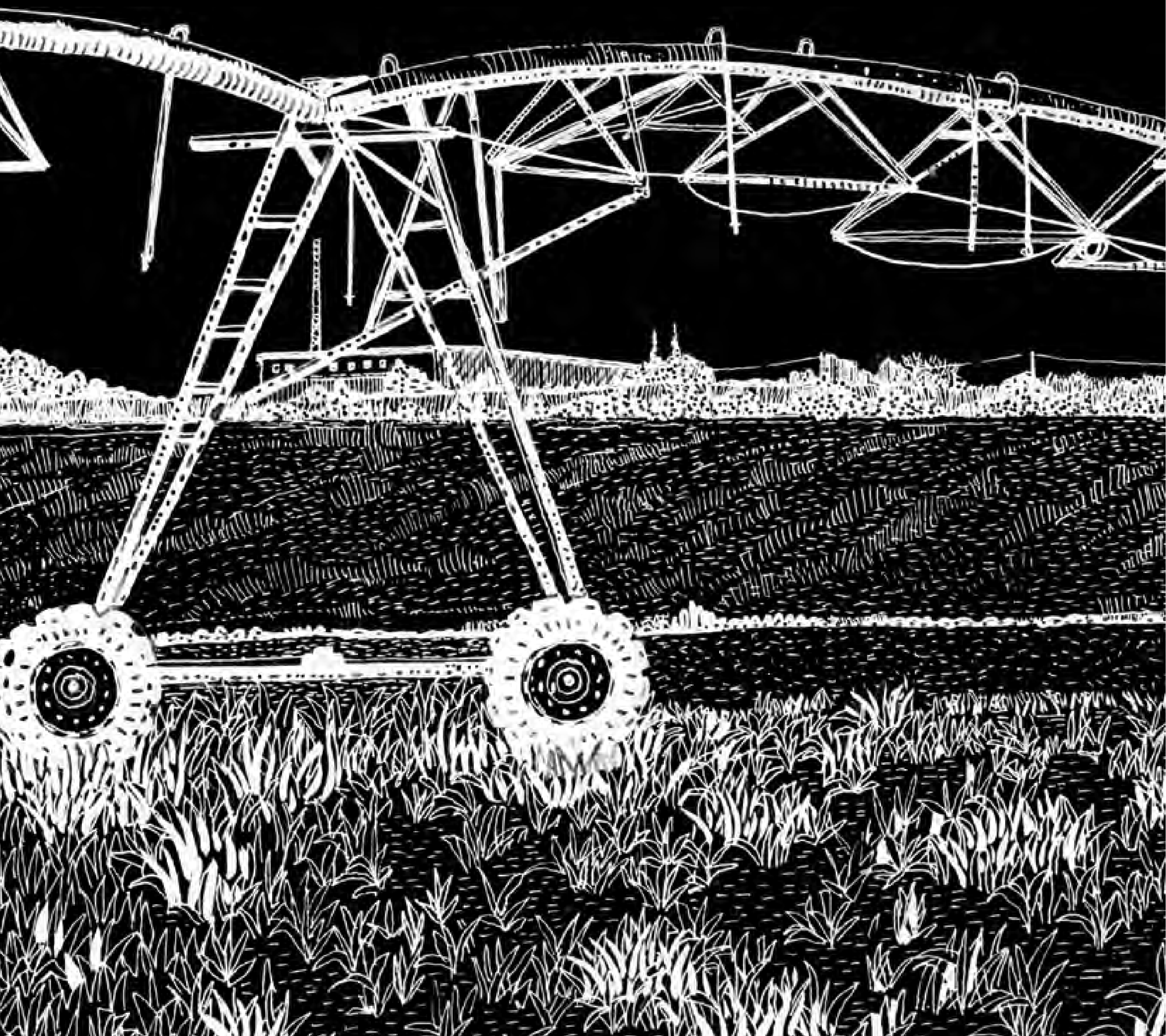
IBL aims to identify and attract top talent by hosting events that help build relationships and allow us to meet potential candidates. These initiatives include:

- Creating business forums and corporate events to encourage Businesses to share their experience;
- Building a pool of future IBL managers by training employees and organising roadshows and job fairs to promote IBL; and
- Awarding scholarships through IBL or the Fondation Joseph Lagesse to engage with young talent.

IBL's Corporate Centre will also take part in a Great Place to Work Survey alongside a number of IBL Businesses next year. The results of this survey, commissioned from an international network that recognises workplace excellence, will help IBL develop initiatives to position the Group as an employer of choice in Mauritius and the region.

Reducing the gender gap

IBL is an equal opportunity employer. We are committed to promoting gender equality across the Group and at every level of seniority. This year, five female members of the management team took part in a “Women Leadership Programme” run by the KIP Centre for Leadership. IBL was also a gold sponsor of the Mauritius Institute of Directors' (MIoD) Initiative for Gender Diversity in Leadership conference this year. We are now working with the MIoD and other companies to create guidelines for work/life balance initiatives and “Employer of Choice” practices such as company crèches.



AGRO

WHAT WE DO

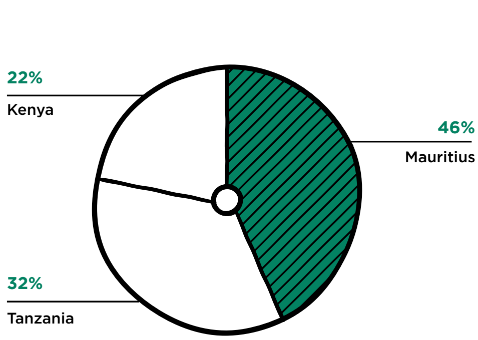
The IBL Agro Sector's main activities consist of:

- Sugarcane operations (cane growing, sugar production and sugar refining);
- Energy production; and
- Property management and development.

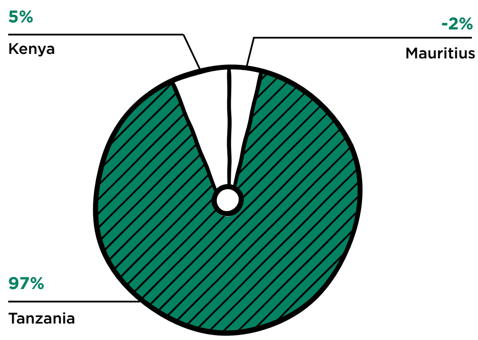
MATERIAL COMPANIES

The Agro cluster consists of Alteo (27.64% share owned by IBL Ltd). It is listed on the Stock Exchange of Mauritius (SEM) and has over 6000 employees in Mauritius, Kenya and Tanzania.

TURNOVER



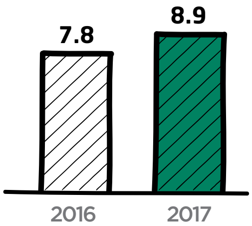
PROFIT



IBL Agro
At a glance

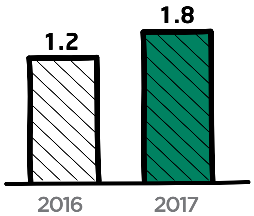
REVENUE

(Rs Billion)



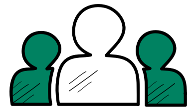
PROFIT BEFORE TAX

(Rs Billion)



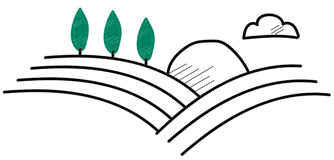
EMPLOYEES

6,348 +



INTERNATIONAL PRESENCE

Tanzania, Kenya

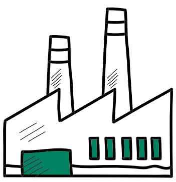


LAND UNDER CULTIVATION

Mauritius: **18,600 ha** of land of which more than **11,250 ha** under sugar cultivation

Tanzania: **15,000 ha** of land of which more than **8,000 ha** under sugar cultivation (through its subsidiary TPC Ltd)

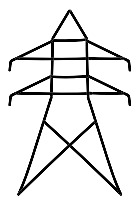
SUGAR REFINERY



167,000 tonnes

of EEC grade II white refined sugar produced

ENERGY



320 GWh of energy exported to the national grid in **Mauritius**

20 GWh

exported to the grid in **Tanzania**

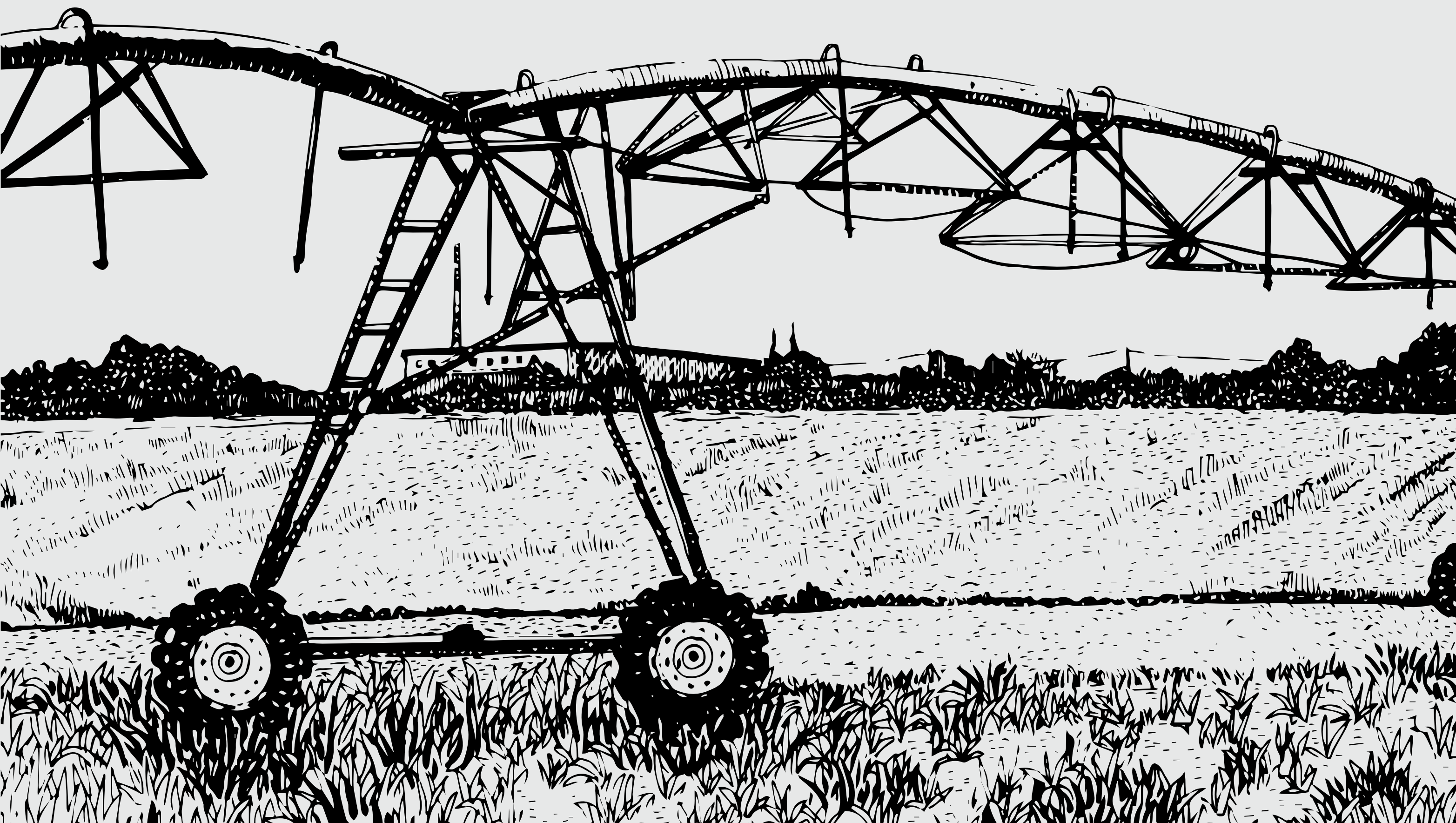
MACROECONOMIC CONTEXT

Sugar prices rose in 2016/17. This was the result of a growing gap between production and demand for sugar, particularly in the East African markets that Alteo operates in.

Despite this, the situation facing the Mauritian sugar industry remains highly challenging. The removal of sugar quotas for the European market in October 2017 is expected to adversely affect the amount of sugar sold to the European Union and increase price volatility. The cost of production, in particular of labour, is also increasing in Mauritius.

The growing demand for energy in Mauritius and the East African region represents an opportunity for the Agro sector's energy activities. However, this segment was affected by a rise in the price of coal this year.

The Agro Sector's property activities are concentrated in the IRS and luxury market segments. These remain vulnerable to political and economic uncertainty in France and the UK, its two major client markets.



SECTOR PERFORMANCE HIGHLIGHTS

Performance overview

Alteo's performance in 2016/17 was encouraging. Its sugar activities posted substantially higher results than last year, due mainly to record sugar production levels in Tanzania and Kenya coupled with high sugar prices worldwide. The strong results in Kenya and Tanzania were the result of significant investments in factory capacity and efficiency and in transport and logistics in both countries.

Alteo's energy segment performed slightly less well than last year despite a higher offtake. Results were negatively affected by an increase in the price of coal, one of its key inputs.

Its property segment, which includes our hospitality operations, saw lower turnover as a result of a drop in the real estate inventory available for sale. While the sector secured sales within Anahita's new northern development, these will only be accounted for next year. The sector's hospitality activity was affected by refurbishment works at Anahita Golf and Spa Resort last year but the outlook is positive overall.

Strategy

IBL's Agro sector is a key player in the Group's regionalisation strategy.

Alteo has now concluded a five-year transformation programme. The focus has been on improving efficiency, capacity building, securing talent and building skills.

The business is now moving into a consolidation phase. It intends to invest in its IT systems, implement group-wide procedures, strengthen its working culture and develop a human capital strategy.

In light of the challenges facing the Mauritian sugar industry, Alteo is undertaking a review of its operations and business model. It is:

- Diversifying geographically to reduce risk, particularly targeting African growth markets;
- Diversifying into higher value-added products and creating revenue from by-products: molasses, bagasse and cane trash for energy; and
- Continuing to improve efficiency and reduce production costs, including via accelerated mechanisation in Mauritius.

Outlook

Alteo's performance in 2017/18 is expected return to the level of previous years. This is due to an expected drop in sugar prices following the removal of quotas from the European sugar market in September 2017 as well as a global sugar surplus.

Alteo will continue to implement its diversification strategy while improving its efficiency to remain resilient in the face of a sustained drop in sugar prices. It is also exploring investment opportunities in the East African region.

The performance of Alteo's energy segment is expected to improve in 2017/18. Energy tariffs are due to be adjusted upwards in Mauritius, which should contribute to additional revenue. Alteo is also in discussion with the authorities to develop a new and more efficient thermal power plant at Union Flacq.

The development and first sales of Anahita North's serviced plots and off-plan villas should contribute to an increase in revenue for Alteo's property activity. Alteo also intends to develop a strategic masterplan for the east coast. Following the refurbishment of Anahita Golf & Spa Resort, the property cluster's results are expected to improve due to an increase in room inventory.

Material risks

Risk	Actions taken
Removal of sugar production quotas for the European market, leading to a drop in prices and a need to seek out new markets	- Capacity-building in sales and marketing - Diversification into new (higher value-added) products - Diversification into new markets regionally - Improving production efficiency and minimising production costs
Stakeholder management: out-grower community relations in Mauritius and Kenya	- Planter services to help local planters source appropriate inputs and provide technical assistance and advice to help them increase their yields, generate income and keep planting cane
Cane shortages	- Use of technology to assess amount of land under cane (e.g. GIS surveys in Kenya) - Introduction of drought-resistance cane species
Rising production costs	- Increasing efficiency - Mechanisation - Moving into by-product exploitation and value-added products - Diversification into new geographical markets
Currency fluctuations	- Diversification into new regions - Controlling for financial inflows and outflows in different currencies

BUILDING & ENGINEERING

WHAT WE DO

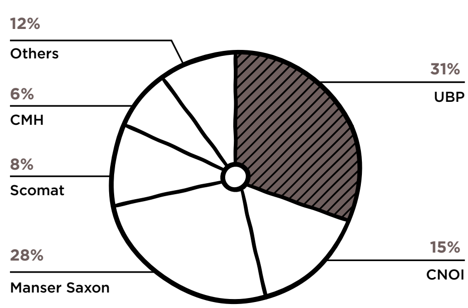
The IBL Building & Engineering Sector consists of a multi-disciplinary group of businesses involved in engineering and construction-related services. Its businesses are active in the following areas:

- Engineering and contracting: Manser Saxon (85%), CMH (100%), Scomat (100%), ServEquip (100%), IBL Biotechnology (90%)
- Manufacturing and retailing of building materials: UBP Group (33.14%)
- Shipbuilding, repairs and associated activities: CNOI (60%)

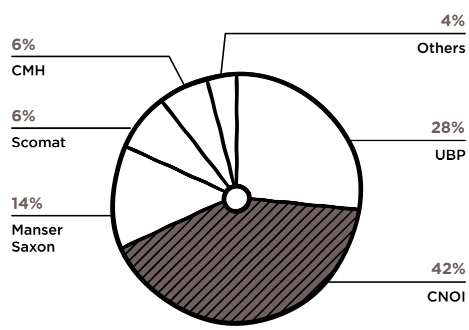
MATERIAL COMPANIES

The sector's material companies (in terms of financial weight and number of employees) are Manser Saxon, the United Basalt Products Ltd (UBP) and Chantier Naval de l'Ocean Indien (CNOI).

REVENUE



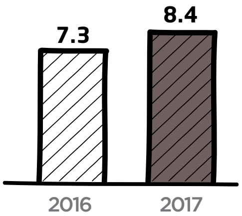
OPERATING PROFIT



IBL Building & Engineering
At a glance

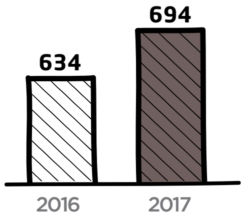
REVENUE

(Rs Billion)



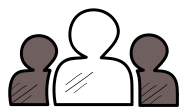
PROFIT FROM OPERATIONS

(Rs Million)



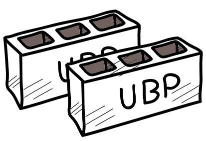
EMPLOYEES

2,295 +

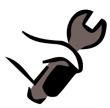


INTERNATIONAL PRESENCE

Scomat: **Reunion**
UBP: **Sri Lanka, Madagascar, Zambia**
Manser Saxon: **Dubai, Seychelles**
IBL Engineering Services, representing
Manser Saxon & Scomat: **Seychelles**



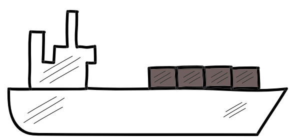
Increase of **4.7%** in block sales



Major projects for Manser Saxon:

In Mauritius:
- Bank of Mauritius
- Mauritius Ports Authority
- Le Parc de Mon Choisy
- Le Touessrok

In Dubai:
- Bulgari
- Royal Atlantis
- Atlantis
- Kempinski



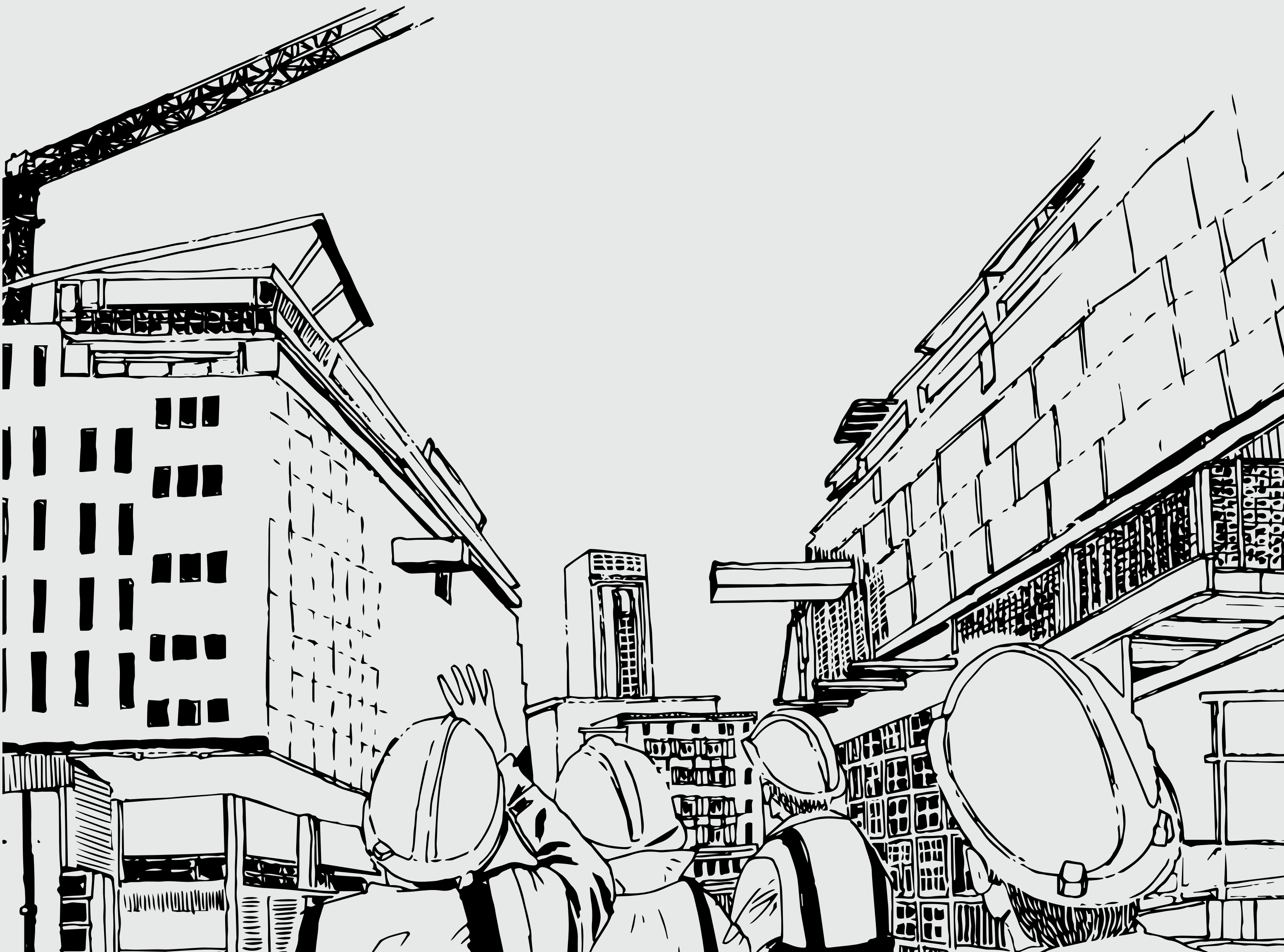
2 new 50m-long double-ended vessels delivered to Mayotte during 2016/17

MACROECONOMIC CONTEXT

The construction industry in Mauritius is expected to expand by 3-4% in 2017, thanks to growth in the tourism industry and the development of new RES schemes and major infrastructure projects.

This is a turnaround for the construction industry, which had contracted by around 25% since 2012, leading to greater competition and lower demand for machinery.

The industry suffers from a shortage of skills. Unless concerted action is taken, this is likely to pose a considerable challenge to all industry players in the future.



SECTOR PERFORMANCE HIGHLIGHTS

IBL Building & Engineering has had a great year, with total revenue of Rs 8.4 Billion and profit of Rs 694 Million.

Engineering and Contracting

Performance overview

IBL's largest business in its Engineering and Contracting segment is Manser Saxon, in which it owns an 80% stake. IBL owns most of its other businesses in this area of activity in full.

The Engineering and Contracting segment has seen a significant improvement in profitability this year thanks to better results for all of its companies.

The Engineering segment underwent a major restructuring exercise in 2015 and 2016 with the closure of Engitech and the integration of its activities into other businesses. This restructuring is now starting bear fruit. The segment's various companies are now leaner and more agile, with better cost-control and an improved ability to carry out contracts overall.

This year, the segment continued to implement turnaround strategies for loss-making or underperforming activities. It also focused on providing training to staff to improve their skills and performance.

Major projects completed this year and which have driven profits, include construction or renovation works at Royal Park and Le Parc de Mon Choisy IRS projects, Medine University and the Bank of Mauritius. Sales of equipment including generators and transport equipment and several new civil engineering projects also contributed positively to the segment's bottom line.

Strategy

Manser Saxon is also exploring potential mergers and acquisitions in order to vertically integrate its activities. This would allow it to offer a one-stop-shop for the mid-size project market.

Securing the right talents to deliver our contracts is an ongoing challenge. Our businesses will therefore continue to focus on training to address the continued mismatch and shortage of skills on the construction market.

Though the scheme is at an early stage and results have yet to be seen, Manser Saxon is the first Mauritian construction company to engage with the Mauritian Government's National Skills Development Programme, a programme co-chaired by the Ministry of Education and Business Mauritius. Three classes totalling 90 students have now enrolled for plumbing and electrical courses.

Our port management contract is expiring at the end of 2017, and there is a risk that foreign competitors from China, Singapore or Dubai could enter the market with international tenders.

Given the small size of the Mauritian market, Manser Saxon will need to seek out international growth opportunities. It aims to secure prestigious projects in Dubai in order to drive awareness of the Manser Saxon brand in the region.

Outlook

IBL is confident that its Engineering and Contracting business will continue to grow in line with its current trajectory. The business has several large projects in the pipeline for 2017/18, including renovation and/or construction work at the St Geran and LUX* Grand-Gaube hotels and the Caudan Waterfront commercial complex.

Locally, the segment will continue to focus on operational efficiency by improving its cost control and quality of service. The segment will also continue to consolidate its activities, especially in civil engineering.

Material risks

Risk	Actions taken
Mismatch and shortage of skills in the construction industry	• Recruiting for key skills such as project management overseas • The National Skills Development Programme offered in partnership with Business Mauritius is making it easier to train people up in the skills currently missing from the industry • Lobbying for more flexible hiring legislation. Manser Saxon has spearheaded consultations with Business Mauritius for a new adjudication law being considered by Construction Industry Development Board
Competition (from local players due to low barriers to entry for smaller contracts, and from foreign players), and lower demand for machinery	• For commercial activities: actively negotiating lower prices from suppliers, introducing more competitive brands and reducing overheads • For contracting activities: closely monitoring and limiting exposure to risky contractors for ongoing contracts, including insisting on direct payments

Building Materials

Performance overview

IBL's main business in its Building Materials segment is UBP, in which it owns a 33% share. UBP's core local business performed well this year, following an outstanding year in 2015/16. Espace Maison, its retail arm, saw sustained growth in its performance relative to last year.

These results are due both to an upturn in the construction sector and to our business' concerted effort to improve its processes, decision-making and risk management.

Our Building Materials segment is also taking steps to improve its client offer by:

- Modernising its production plants;
- Introducing its new 'Smart Blocks' building block range;
- Increasing its market share via a new loyalty scheme for core business customers; and
- Refurbishing Espace Maison's retail outlets.

Internationally, our performance was affected by poor market conditions and other administrative constraints in Sri Lanka and Madgascar. However, we sought to expand our international business by investing in a company that manufactures clay bricks in Zambia.

Strategy

UBP is part of IBL's Mauritian core and regional expansion strategy. UBP's future performance remains dependent on the property development market and on public infrastructure projects in Mauritius and the region.

However, UBP will pursue its development and increase its resilience to downturns by focusing on innovation, continuing to control costs and seeking out new growth opportunities, including overseas.

It will also seek to improve quality, including in client services, and to capitalise on its public perception as a high-quality manufacturer to meet the increasing demand for better-quality construction products.

UBP also aims to create synergies between its businesses' activities to improve its competitiveness and offer clients a one-stop shop for all of their building needs.

Outlook

IBL is confident that UBP's strategy to improve quality and control costs will allow it to continue to grow its revenue and profit. In its core business, UBP's main priorities are to deliver on an internal restructuring exercise and review its human resources strategy to meet its future business needs.

Espace Maison should see continued growth, based on the growing Mauritian demand for high-standard one-stop-shops for home and garden accessories.

In 2017/18, the business intends to:

- Increase its manufacturing capacity for building materials;
- Consider the need to review the group's legal and organisational structure;
- Consider opening a new Espace Maison retail outlet in southern Mauritius; and
- Closely monitor potential opportunities for regional expansion.

Material risks

Risk	Actions taken
Operational (supply of raw materials, production disruption etc)	An Enterprise Risk Management Framework and a Business Continuity Management plan are now in place to comprehensively identify, measure, assess and mitigate the business' exposure to risks
Business environment and market (competition, new products)	A new Business Development Manager has been appointed to (1) closely monitor our overseas activity and (2) seek out new business opportunities
Health and safety	Ongoing training and a human resources strategy being put into place to professionalise staff and raise awareness of health and safety
Skills shortages	Human resources strategy being put into place to address the shortage of key skills required to ensure UBP's continued growth

Shipbuilding and repairs

Performance overview

IBL's shipbuilding, repairs and associated activities is undertaken by the Chantier Naval de l'Océan Indien (CNOI), in which IBL owns a 60% share. CNOI is the best-performing shipyard in the southwest Indian Ocean. It boasts cutting-edge technical knowledge and a loyal international clientele.

CNOI's core business remains maintenance and repairs of fishing fleets, including the international tuna purse seine fleets operating in the Indian Ocean. It is also active in construction and consulting.

CNOI has had an exceptional year, with a 50% improvement on the results of its best year to date. Over the past five years, it has seen growth of more than 15% per annum in turnover and net profits.

Its profitability was positively affected by the delivery of two roll-on roll-offs for Mayotte, representing 300,000 man-hours of work. It has also secured a contract to build a prawn trawler for an Australian client with seven others potentially in the pipeline.

CNOI is working on extending into an additional 1.1-hectare yard adjacent to its existing site in Port Louis, whose purchase was concluded this year. The additional area will make it possible to grow CNOI's activities by 50% and could create up to 200 new jobs. It would considerably add to CNOI's capacity for construction and repair.

Strategy

CNOI is focusing on organic growth. It aims to increase its production capacity to deliver on contracted construction work and to maintain or increase its capacity for repairs.

In line with its efforts to develop new competences and services, the business is also exploring the possibility of investing in a marketing and sales team to help it prospect for new clients.

Prospects

IBL anticipates that CNOI's growth will continue in line with its previous performance. In addition to increasing its capacity to be able to take on new contracts, CNOI's priorities for the next several years are to:

- Finalise the expansion of its shipyard in order to take on new projects;
- Successfully deliver the prawn trawler that has already been signed for; and
- Secure a contract to build the seven other vessels requested by the same client.

In the coming year, the Indian Ocean Tuna Commission's imposition of a total allowable catch for yellowfin tuna in the Indian Ocean, and the resulting reduction of fishing activities in the region, could also mean a reduction in repair and maintenance man-hours. CNOI will continue to monitor the situation carefully and engage in lobbying activities via the Mauritius Export Association and Board of Investment.

Material risks

Risk	Actions taken
A reduction in tuna fishing activity in the Indian Ocean (due to reduced fish stocks and piracy)	• Close monitoring of and following up with our clientele • Continuing to lobby the Indian Ocean Tuna Commission to pass resolutions allowing for sustainable fishing, via the Mauritius Export Association and Board of Investment
Changes to the fiscal framework	Continuing to lobby the Indian Ocean Tuna Commission to pass resolutions allowing for sustainable fishing, via the Mauritius Export Association and Board of Investment
Competition: New shipyard in Mauritius or Société d'Études, de Construction et de Réparation Navales Madagascar being brought up to standard	Close monitoring of the market to prevent competitors from commencing activities in the region
Sourcing qualified labour	Provision of in-house training


Phoenix

COMMERCIAL

WHAT WE DO

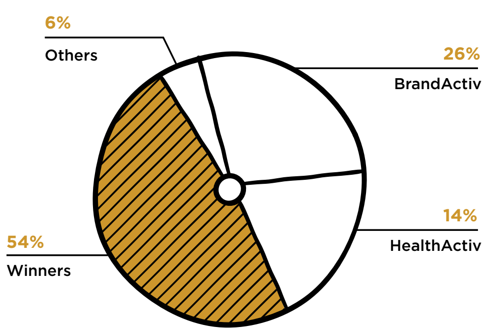
The IBL Commercial sector consists of B2B and B2C suppliers of different types of goods. The sector's main businesses are active in:

- Consumer goods / Healthcare: BrandActiv
- Retail / Supermarkets: Winner's
- Industrial supply: Intergraph

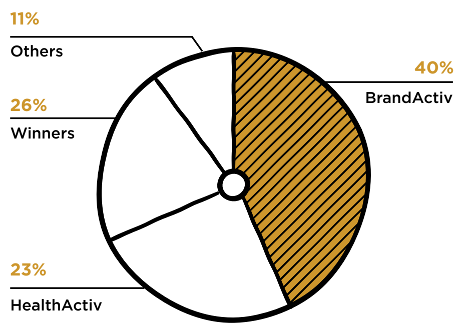
MATERIAL COMPANIES

The Commercial sector's material companies consist of BrandActiv, Intergraph and Winners. All three businesses are 100% owned by IBL Ltd. Together, they employ over 2400 people.

REVENUE



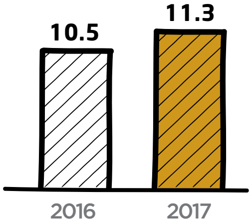
OPERATING PROFIT



IBL Commercial
At a glance

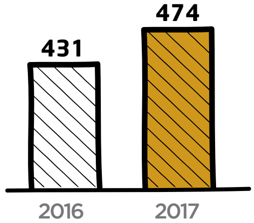
REVENUE

(Rs Billion)



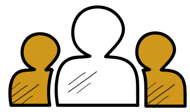
PROFIT FROM OPERATIONS

(Rs Million)



EMPLOYEES

2,450 +



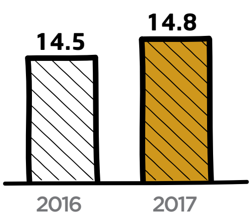
INTERNATIONAL PRESENCE

BrandActiv: **Uganda, Seychelles, Madagascar**

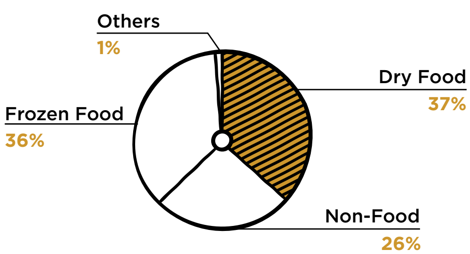
Intergraph: **Madagascar, West Africa, Reunion**

NO. OF TICKETS AT WINNER'S

(In Million)



REVENUE MIX BRANDACTIV



MACROECONOMIC CONTEXT

The economy has had a mixed impact upon IBL Commercial's Sector activities. The Mauritian population's spending power continues to grow, but the Mauritian rupee remains strong, hurting the country's exports.

Competition is also increasingly intense in the retail sector. This is depressing prices and profit margins. Certain consumer segments are also increasingly price-sensitive, creating pressure to lower prices.

Market conditions for our industrial supply activity remain challenging as a result of the decline of print-related products in Mauritius and the global shift towards digital media.

SECTOR PERFORMANCE HIGHLIGHTS

IBL's Commercial sector has had a good year. Total revenue was Rs 11.3 Billion and profit was Rs 474 Million.

Consumer Goods

Performance overview

The main business in IBL's Consumer Goods segment is BrandActiv. It sells and markets branded, fast-moving consumer goods on a B2B basis. It deals in three different types of products: dry foods, frozen and chilled foods, and non-food items including personal and home care. It has grown steadily and organically over the last five years, via regional expansion and the addition of new brands.

The business saw growth in turnover of 15% this year. This was due in part to its acquisition of distribution rights for the Mondelez snacking range, including Cadbury's, Côte D'or, LU and Hollywood Chewing Gum. The business also successfully launched new products from international brands Puma Fragrances, Dr. Oetker and Isla Deliceas as well as a Maybelline makeup retail point in Trianon Shopping Park.

BrandActiv has also undergone an internal restructure and extended its route to market.

Strategy

BrandActiv is part of IBL's regionalisation strategy.

Its medium-term strategy is to grow by improving its brands' market share. It will seek to maintain customer demand by advertising and promoting its existing brands.

In the longer term, BrandActiv will grow its business organically in the Indian Ocean by securing distribution rights to new brands and will also aim for inorganic growth via mergers and acquisitions.

Outlook

The business' focus next year will be to improve the efficiency of its distribution channels.

BrandActiv has recently hired an Operations Manager. They will be tasked with improving the business' warehousing and logistics efficiency in order to improve customer service.

The business also plans to improve its communications and promotional work. Several projects to market new products and invest in new methods distribution are now underway.

Material risks

Risk	Actions taken
Loss of representation of international brands due to mergers and acquisitions internationally	• Finalising supplier agreements • Portfolio diversification
Increasing competition in the Mauritian retail space	• Securing support from suppliers on price-reduction campaigns • Promotional and marketing campaigns
Reputational risk with regard to quality of products	Quality control mechanisms
Credit risk on sales to customers	Closely monitoring client credit limits and payment terms
Strong dependency on IT infrastructure and IT systems	Creation and implementation of a Disaster Recovery Plan to minimise downtime

Retail

Performance overview

The main business in IBL's retail activity is Winner's, its 100%-owned proximity supermarket chain. The chain now has 21 outlets in Mauritius and is continuing to grow.

Winner's has remained a leader in the Mauritian supermarket industry despite fierce competition. To remain competitive, it has focused on improving service levels via staff training, implementing a new ERP to drive efficiencies, and controlling costs in order to bring prices down.

Jean-Michel Rouillard is the new CEO of Winner's and has been appointed in January 2017.

The chain opened its 21st outlet in Quatre Bornes in February 2017.

It also acquired Monoprix's three Mauritian supermarkets located in Cascavelle, Bagatelle and Curepipe through its holding company Winhold Ltd in July 2017. This acquisition will allow the chain to offer new products and services to a wider clientele.

Strategy

IBL's retail activity is a part of IBL's core Mauritian strategy.

Winner's will continue to pursue a client proximity strategy but will adopt a new focus on driving efficiency. It intends to improve procurement and distribution, stock management, and productivity, and embrace e-commerce opportunities.

Outlook

IBL is confident that Winner's will retain its market share and continue to improve its profitability. By improving its processes and productivity, the business intends to increase efficiency and reduce costs. Winner's will also explore the potential of an own-brand product range and is considering new business models including e-commerce and loyalty cards.

To support these developments, Winner's is also investing in human resources. It aims to revive the Winner's Academy and offer vocational diplomas to professionalise its staff.

Winner's intends to open a new Rose Belle outlet in 2017/18 and will acquire other locations as opportunities arise.

Material risks

Risk	Actions taken
Price: Working with very small margins	Driving efficiencies via implementation of ERP, rationalising stocks and distribution
Competition: The growing number of shopping malls coupled with the entrance of new competitors	• Staying competitive on price, including via aggressive and intelligent promotions • Improving customer service • Improving offering with regard to fresh products
Health and safety: Food poisoning	• Improving our food hygiene standards • Tightening controls • Training in health and safety

Industrial Supply

Performance overview

IBL's industrial supply activities are run by Intergraph. The business provides print-related services and equipment to graphic and printing businesses, distributes Heidelberg-branded products and operates a publishing house.

Intergraph's performance this year was consistent with that of the previous years. The business' working capital was affected by the amalgamation of Intergraph Papier into Intergraph Ltée this year. However, it has performed well on the export market, with sales of machines and consumables to Madagascar and the Seychelles. In particular, it successfully installed equipment to produce high-quality labels for an established local brewery in Madagascar.

Strategy

Intergraph is part of IBL's regional growth strategy.

Its strategy consists of an expansion into African countries, in particular Madagascar, via its representation contract with the Heidelberg brand.

Intergraph also aims to reinforce its position of leadership in the high value-added printing market in Mauritius, while exploring an expansion into the digital market.

Outlook

Integraph's will continue to focus on consolidating its local market share in consumables and paper while improving its debt collection. It will continue to seek out new opportunities in Madagascar and other African countries via partnerships with local companies and recommendations from the Heidelberg commercial head for West Africa.

Key projects for next year include: investing in a barcode and stock management system to improve the business' sales and delivery reconciliations; the installation of printing presses in Mauritius and in Reunion; and the installation of a rotative unit for a newspaper in Madagascar.

Material risks

Risk	Actions taken
Credit risk relating to overdue payments	• Close monitoring of financial inflows and outflows • Potential Credit Protection Insurance
Change in technology leading to a reduction in paper-based communications tools and demand for consumables	Strategy to move into the digital market
Exchange rate fluctuations	Diversification into new markets


AFRASIA BANK

FINANCIAL & OTHER SERVICES

WHAT WE DO

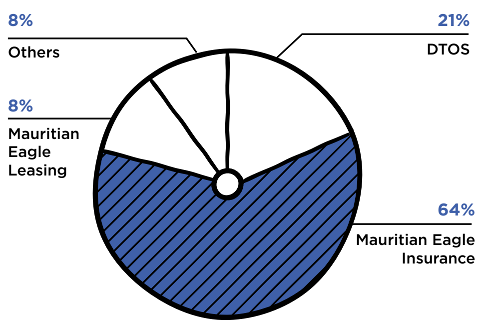
The IBL Financial & Other Services sector consists of seven main activities:

1. Banking, Asset and Wealth Management via AfrAsia Bank Ltd (30.1%)
2. Asset Financing and Deposit Taking through Mauritian Eagle Leasing (94.57%)
3. Insurance (including insurance and reinsurance brokering) through Mauritian Eagle Leasing Co. Ltd (60%), City Brokers Ltd (50%) and Ellgeo Re (Mauritius) Ltd (33.33%)
4. Global Business through DTOS (100%) and ABAX (47%)
5. Stockbroking Services via LCF Securities Ltd (60% - IBL increased its shareholding in the LCF Group from 25% to 60% in September 2017)
6. Private Equity via the Bee Equity Partners Ltd, formerly known as FIDES (34.95%)
7. Other services including:
   - Recruitment and HR services via the Alentaris Group of companies (75%)
   - Marketing and Communications Agencies via i-Spy 360° (45%) and Universal Media Ltd (34%)

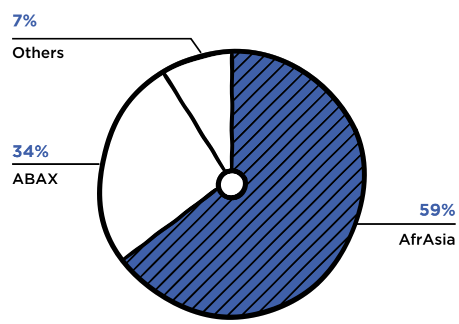
MATERIAL COMPANIES

The material companies in this sector in terms of financial impact and number of employees are AfrAsia, ABAX, DTOS, Mauritius Eagle Insurance (MEI), City Brokers and the Mauritian Eagle Leasing Company (MELCO).

REVENUE



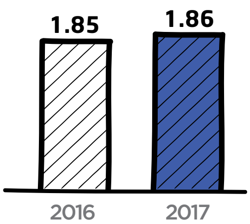
SHARE OF PROFIT FROM ASSOCIATES



IBL Financial Services
At a glance

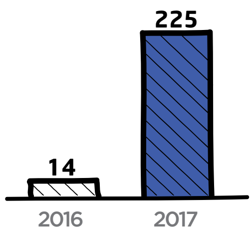
REVENUE

(Rs Billion)



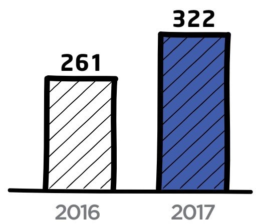
PROFIT FROM OPERATIONS

(Rs Million)



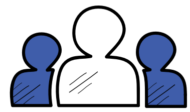
SHARE OF PROFIT FROM ASSOCIATES

(Rs Million)



EMPLOYEES

925+

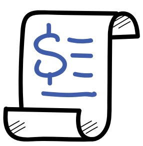


INTERNATIONAL PRESENCE

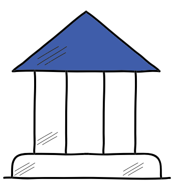
AfrAsia: **South Africa**

ABAX: **South Africa, Dubai, Singapore, Kenya, Ivory Coast, the UK, Cyprus**

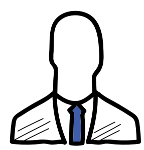
DTOS: **Dubai, France, Uganda, China, India**



City Brokers:
18,000 claims handled



DTOS: **900+** entities under administration



AfrAsia: Clients in over
130 COUNTRIES

MACROECONOMIC CONTEXT

The financial services industry continues to be highly competitive in Mauritius and internationally. It must comply with increasingly stringent regulatory and compliance regulation and faces a general climate of economic uncertainty. Technological changes are also disrupting conventional ways of working and radically changing customer expectations.

In Mauritius, there has been no improvement in the credit cycle or movement in the interest rate curve. This makes sustainable growth a challenge but also represents an opportunity to grow selectively, provided we adequately identify, understand and manage risk.

In the global business sector, a new India-Mauritius Double Taxation Avoidance Agreement protocol came into effect in April 2017, introducing capital gains tax on shares held in Indian companies. IBL's global business companies had anticipated this change and has diversified away from India towards new markets, notably on the African continent.

In the insurance sector, increased reinsurance capacity is driving insurance premiums down, making profitability more challenging. The 'Insurance (Risk Management) Rules 2016' issued by the Mauritian Financial Services Commission have now come into force, obligating the insurance sector to adopt a more robust approach to risk.

SECTOR PERFORMANCE HIGHLIGHTS

The IBL Financial Services sector has had an outstanding year, with total revenue of Rs 1.86 Billion, operating profit of Rs 225 Million and share of profit from associates of Rs 322 Million.

Banking, Asset and Wealth Management

Performance overview

IBL's Banking operations are run by AfrAsia Bank Limited (AfrAsia), a commercial bank established in January 2007. IBL holds a 30.11% share of the bank.

AfrAsia is active in four main divisions:

- Corporate and investment banking;
- Global business banking;
- Private and personal banking;
- Treasury and markets.

The bank has seen strong growth over the past five years. As reported last year, the bank is also consolidating its activities and investing in IT and other back-office processes, effectively transitioning from a start-up to a mature financial services provider.

It received an Rs 602 Million capital injection from its major shareholders, IBL and National Bank of Canada, this financial year.

Strategy

AfrAsia is now entering the second year of a three-year strategic plan to pursue prudent growth, preserve liquidity and ensure a better use of capital.

The bank will invest in its IT and human capital, notably implementing an Oracle Cloud system, recruiting trainees and adopting competitive recruitment practices.

The overarching aim is to lay the foundations for AfrAsia's regional expansion, particularly in African markets, while offering the best service in Mauritius and positioning the bank as the country's employer of choice.

Outlook

IBL is confident that AfrAsia's strategy will yield and position the bank as one of the country's top financial institutions in the coming years.

AfrAsia will continue to invest in its back-office IT and digital client platforms. In line with its human capital strategy, the bank has begun to offer traineeships. The aim is to develop a local talent pool with appropriate skills within three years.

AfrAsia will also market itself as a one-stop shop for Treasury products and services for both local and international clients. It will aim to explore and develop a competitive, liquid and sophisticated local financial market for Mauritian securities, encouraging foreigners to invest.

Finally, the bank will continue to expand its presence in Mauritius and abroad. It aims to secure new business in African markets in addition to its representative office in South Africa.

Material risks

Risk	Actions taken
Talent / human capital: • Lack of highly specialised competences, particularly in IT • Difficulty retaining skilled staff	• HR and talent strategy: Training programmes for graduates and undergraduates (5-10 graduates annually) to identify and train up raw talent • Better recruitment procedures and competitive remuneration policies
Digitalisation leading to disruption of ways of working and changing client expectations	Investing in improved processes and IT
Loans defined as non performing represents approximately 10% of loan portfolio	• Constant monitoring of loan portfolio • Adequate provisions made after considering risk and securities in place
Liquidity Risk	The Bank has in place an effective liquidity risk management framework aiming to protect the institution and the system as a whole from disruptive effects of any liquidity shortfall. Currently, the Bank has a relatively large deposits base and relatively less opportunities to deploy the cash into longer term risky assets.
Non-Performing Loans	Bank has put in place a Watch List committee to monitor performance of the loan impairment below 90 days. Loan turning into NPA (above 90 days) are closely monitored and recovery process is initiated through legal action.

External Factors and operating Environment	
Challenging economic environment The economic environment across geographies where our customer are based from, the difficulty of constant pressures being exerted to meet demand for customer products and services.	The management team continuously monitors and manages the changes in the economic environment through market/ treasury services and other updates from reliable sources.
Regular changes in regulatory guidelines Evolution of the legal and regulatory framework in Mauritius and other jurisdictions with recent changes in various regulatory guidelines where the Bank should remain vigilant to meet the relevant banking and financial services requirement and guidelines. At times these changing guidelines also need banks to invest further in IT systems.	Ensuring we are abiding and investing in tools and new procedures as per requirements of the new guidelines.
Operational Challenges Implementation of the right set of processes and operational framework to conduct its banking and non-banking activities in a more efficient manner and provide customers with services to its best capabilities.	The Bank is under constant review to improve its processing efficiency. Various reviews are done by external parties where the Bank is taking appropriate actions to improve its operations and processes.
Information Technology	
Existing IT Platforms Various suppliers of systems for each unit/ department which needs interfacing between these systems.	We are currently embarking in a three-year plan to improve our banking IT platform.
Digital Transformation Technology Investment risk associated with the right technology for the coming generation of customers and fulfilling the current gaps	Technology advancement worldwide creates opportunities and challenges for the Bank to effectively leverage relevant systems to improve customer experience and quality of service and meet competition. The Bank is currently embarking on a three-year transformation plan.
Cyber security As enterprises strive to gain value by leveraging technology, the risk associated with digital business is increasing. Theft of personal information and private business information, misappropriation of resources, denial of service, and cyber-theft are becoming common place, affecting large and small enterprises.	Several upgrades and firewall on our IT systems performed. The Bank ensures updated and strong/robust secured platform for its clients and staffs.
Genuineness and Commitment towards our clients	
Fight against financial crime Financial crime has been a material threat to banks around the globe leading to compliance and reputational risks.	Ensure adequate controls and system are in place. The Bank has invested in new tools and bringing up with additional controls year-on-year to combat this threat.
Fair dealing Non-observance of fair dealing policies leads to compliance and reputational risks.	Constantly improving processes to ensure our commitment to clients is respected.
Responsible financing The regulator and public demand that banks lend only for appropriate activities and purposes. Failure to do so gives rise to reputational and credit risks.	The Bank tries to understand and respond to the challenges around customer behaviours, attitudes and their lifestyles; meet the specific niche market demands; and successfully offer them with tailor-made solutions.

People	
Talent management and Employee Retention The Bank requires employment of people with different skill sets to ensure service delivery in the right perspective and enhance the productivity of its operating business lines. Failure to do so can restrict future growth and expansion in new areas.	The Bank offers adequate training, packages and support to its existing employees as well as ensure the adequate talent are targeted on the market.

Asset Financing and Deposit Taking

Performance overview

IBL's asset financing activities are run by the Mauritian Eagle Leasing Company Limited (MELCO), in which the IBL Group holds a 94.57% share. MELCO provides motor vehicle and equipment finance to corporate and retail customers.

MELCO has achieved a turnaround in the past year following the restructuring of a considerable number of non performing loans. The company is still suffering from the contraction in the Mauritian building and construction industries of previous years, which had led to an increasing number of clients defaulting.

This year, MELCO pursued the ambitious internal restructure and turnaround strategy that it adopted in 2015. It strengthened its sales and credit team and restructured its portfolio into more liquid, less specialised and less risky asset classes.

The business has now reinforced its risk management system, audit, credit and remuneration committees.

Strategy

MELCO'S strategy consists of creating durable profit by continuing to diversify the client and asset mix within its portfolio and in particular by targeting car dealerships, large corporates and individuals.

Outlook

The business intends to invest in marketing, brand work and sales to build its market share. It is due to hire a business development manager to develop its offer. It is also exploring strategic partnerships with other financial institutions and car dealerships.

Having consolidated its activities, MELCO intends to offer more innovative products, such as leasing and insurance bundles.

Material risks

Risk	Actions taken
Credit risk / Non performing loans	• Strengthened risk management and internal controls • Diversification of asset and client mix within portfolio
Liquidity risk	Creation of an asset and liability comittee to manage its liquidity risk
Competition risk	Improving efficiency
Asset concentration / diversification	Rules with respect to portfolio mix and maintaining spread of client and asset categories
Reputational Risk	Focus on improving quality of service / rigour

Insurance and Broking

Performance overview

IBL's main insurance businesses are:

- Mauritian Eagle Insurance (MEI) (60% owned); and
- City Brokers (50% owned)

The insurance market is fiercely competitive, with insurance premiums at an all-time low due to an oversupply of reinsurance.

Despite this, MEI reported a marginal increase in its top line and a sizable increase in profit. This performance is the result of an internal restructure to improve operational efficiency and control costs while improving quality of service. The business actively sought to increase its market share in retail and health products, notably launching a new motor product in partnership with IBL's loyalty card scheme. MEI has also improved its underwriting surplus thanks to a more disciplined approach to underwriting and the optimisation of reinsurance costs.

City Brokers maintained its market share and its status as Mauritius' largest insurance broking firm. It secured a number of new clients and saw stronger growth in its health insurance business.

Its focus this year has been on driving operational efficiency by consolidating its teams and adopting a new IT system; marketing and investing in product R&D to more effectively target products to clients; and finalising a regional acquisition.

Strategy

IBL's insurance businesses are part of IBL's Mauritius core and regional growth strategies.

MEI's strategy consists of increasing its market share by improving its operational efficiency; investing in new technology to improve its customer experience; and adopting a human capital approach by recruiting, retaining and developing its key talent. The business is also exploring opportunities for growth in both Mauritius and the Indian Ocean region.

City Brokers' strategy consists of increasing its leadership position by pursuing local organic growth in Mauritius and through acquisitions in the region. It is the middle of a review of its management and sales teams, and is investing in new technology to improve customer service and cost control.

Outlook

MEI will continue to drive operational efficiencies, including by implementing a core insurance software, while seeking to improve its market share and its customer service. It will look for new opportunities arising from the use of digital technology in the insurance market, while its new business development manager will be tasked with increasing the business' market share in retail and health. It will also continue to invest in the training and recruitment of key talent.

City Brokers' focus in FY 2017/18 will be on finalising the business' new acquisition, implementing its new IT system and embarking upon an organisational restructure. It will also continue with its client development, marketing and sales efforts.

Material risks

Risk	Actions taken
Technology: risk of becoming obsolete if not up to date with impact of technology on the industry	• Introducing new ways of working / IT systems • Exploring opportunities arising from client-facing digital platforms
HR and ability to attract talented young people, who prefer other sectors	• Ensuring constant training at all levels • Strategy to identify and retain key staff
Counterparty risk with reinsurers: risk of default of reinsurer for claims payments (MEI)	• Using of rated reinsurers
Competition; Insurance premiums at an all-time low	• Optimised processes and use of back-office IT to identify and bring down costs • Improving customer service and relationships including via new marketing functions • Improving marketing and sales in growth markets • Development of innovative and target products and bundles • Creating a better reinsurance structure (MEI)

Global Business

Performance overview

The two main businesses in IBL's Global Business operations are DTOS and ABAX, which are 100% and 47% owned respectively.

DTOS and ABAX have seen steady growth over the last decade and have proven to be extremely resilient.

Both businesses are having to contend with regulatory changes locally and internationally, including the DTAA agreed between Mauritius and India. This has encouraged the businesses to diversify away from the Indian market. DTOS and ABAX are also being affected by competition from global financial players now operating in Mauritius.

DTOS' focus this year has therefore been on expanding its business internationally, particularly in Africa, to compensate for the loss of India-related business. The business also successfully set up its Uganda office this year.

ABAX now has offices in five countries and successfully launched a new office in Côte d'Ivoire this year. Its focus has been on implementing its new organisational structure, which has involved recruiting 15 new managers; and on investing in enterprise planning and relationship management systems to improve efficiency and control costs. ABAX has also begun to offer on-the-job training to create the skills it will need to support its growth.

Strategy

Both DTOS and ABAX are crucial players in IBL's internationalisation strategy.

International growth (particularly into African markets) is a core part of their strategy. Both businesses intend to achieve this expansion via a mix of strategic alliances with local players, the creation of regional offices and potential acquisitions.

The businesses are also investing in marketing and business development while improving efficiency and controlling costs. Both DTOS and ABAX are diversifying into new products and markets, investing in marketing and business development and implementing new HR development plans.

Outlook

The outlook for ABAX and DTOS is positive. DTOS' focus next year will remain on its African investments including identifying strategic alliances and the finalisation of its African regional headquarters. It is also improving efficiency and cutting costs by outsourcing certain functions.

Likewise, ABAX aims to open three offices outside of Mauritius and grow its Dubai operation significantly in the coming years. It is currently developing new products and partnerships with other service providers and partners, and increasing its marketing and business development efforts.

In particular, ABAX aims to improve quality and efficiency by improving employee engagement and developing new executive information systems.

Material risks

Risk	Actions taken
Regulatory changes (locally and internationally)	• Risk management consulting firm and externalised internal auditor appointed • Enhanced compliance • Increasing our strategic alliances across jurisdictions
Increasingly competitive market / price competition	• Reviewing operating model to improve efficiency (DTOS) • Reviewing pricing (DTOS) • ISO and ISAE certifications (ABAX) • Marketing and PR efforts • Diversification of products and pushing into new markets
Reputational risk	• Enhanced Quality Assurance and Information Security (ABAX) • ISO and ISAE certifications (ABAX) • Marketing and PR efforts
Operational / quality control	• Investing in enterprise IT systems to improve controls • Investing in people (see below)
Sourcing appropriate talent	• Creating a learning culture and offering enhanced on-the-job-training (ABAX) • Carrying out regular market salary surveys and reviewing our remuneration framework (DTOS)

HOSPITALITY

WHAT WE DO

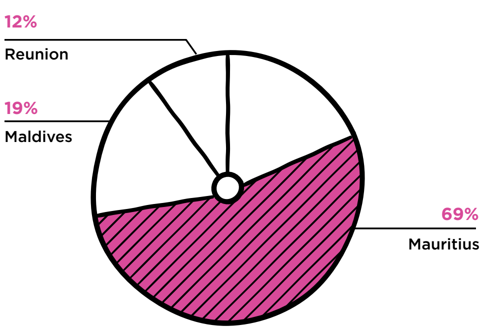
The IBL Hospitality Sector's activities are undertaken by the LUX* Resorts & Hotels brand. Since its launch in 2011, LUX* has established itself as a leader in the premium hotel sector in leisure destinations including Mauritius, Reunion, the Maldives, Turkey and China.

LUX* manages and operates beach resorts and boutique hotels (both third-party owned properties and properties in which it holds an equity stake), holds operating leases on high end villas and owns Café LUX*, a standalone coffee shop franchise.

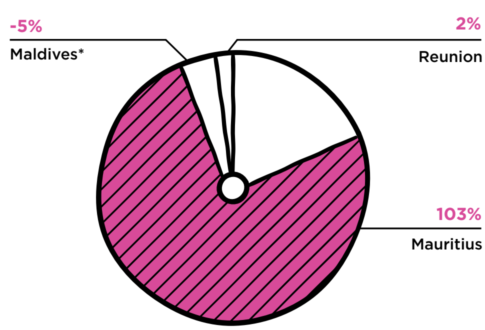
MATERIAL COMPANIES

LUX* Resorts & Hotels (39.27%)

REVENUE



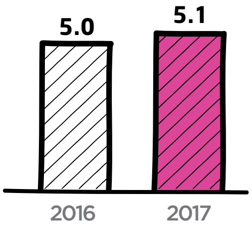
EBIT



IBL Hospitality
At a glance

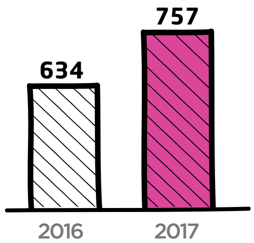
REVENUE

(Rs Billion)



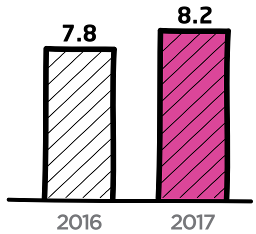
PROFIT FROM OPERATIONS

(Rs Million)



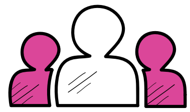
AVERAGE ROOM RATES

(Rs Thousand)



EMPLOYEES

3,225 +

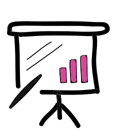


INTERNATIONAL PRESENCE

Italy, Ajman, The Maldives
Turkey, Reunion, Vietnam

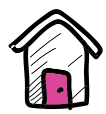
12 resorts
in **5** countries

Portfolio of rooms under LUX* management:
1,487



Average training hours per employee: **141**

Average of
150,000
guests per year



Occupancy rate:
80%

MACROECONOMIC CONTEXT

This year, the global travel and tourism industry grew by 3.1%, outpacing global economic growth and growth in the construction, financial services and manufacturing industries. The sector now accounts for 10.2% of global GDP and approximately 1 in 10 of all direct and indirect employment, according to the World Travel and Tourism Council.

The tourism industry also saw steady growth in Mauritius. Tourist arrivals rose 10.8% for the year ending in December 2016, though spend per head remains low. The tourism industry is being reinforced by improved air links between Mauritius and key new markets including Turkey and Asian destinations, despite the loss of the Air Asia link to Kuala Lumpur in March 2017.

Performance overview

LUX* has seen sustained its growth this year thanks to high occupancy rates and an increase in average room rates.

In line with its strategy of international expansion, it signed a total of ten Hotel Management Contracts (five in China, one in Vietnam, one in the Maldives, one in the United Arab Emirates, one in Turkey, and one in Italy), representing approximately 1000 additional rooms. LUX* also opened its first two Café LUX* franchises in China, in Yunnan and Chengdu.

This international performance places LUX* in a position of leadership relative to its Mauritian and some international competitors, in terms of market penetration and quality of service recognition.

Strategy

As a key player in IBL's international growth strategy, LUX* has continued to consolidate its leadership position in Mauritius and the Indian Ocean while expanding into new regions, namely Asia, Europe and the Middle East. LUX* is also diversifying its portfolio by targeting business and golf tourism.

LUX* continues to pursue an asset-light strategy of acquiring management contracts rather than owning hotels. This enables the business to grow at an accelerated pace with limited capital investment while strengthening the LUX* brand. LUX* also continues to refurbish its owned assets to improve its competitiveness and help the brand stand out among luxury and brand-conscious international customers.

Finally, LUX* sees sustainability as both an ethical concern and a market opportunity. The business aims to open in markets that require a commitment to sustainable tourism. It holds a Travelife Gold Certification from the International Accreditation for Responsible & Sustainable Tourism Management. LUX* also continuously invests in improving water efficiency, rationalising its energy use and reducing waste and effluents, as well as working with the local community to protect the environment, improve livelihoods and reduce poverty, especially among women.

Outlook

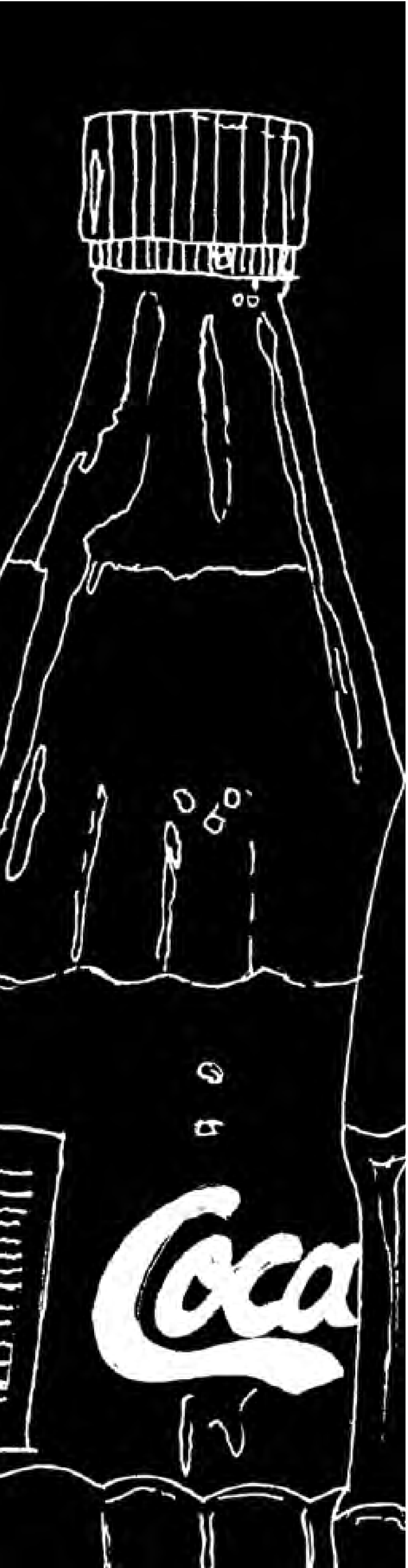
In the coming year, the business aims to complete the renovation of LUX* Grand Gaube and successfully open LUX* North Male Atoll.

Internally, LUX* will continue to strengthen its organisational structure and drive efficiencies to deliver increasing value for shareholders and stakeholders. In line with its commitment to sustainable tourism, LUX* will continue to invest in reducing its waste and emissions, rationalising its water and energy consumption and improving livelihoods in the local communities in which it operates.

Material risks – LUX Resorts & Hotels*

Risk	Actions taken
Difficulty in sourcing / hiring world-class staff in Mauritius	Talent development and management plan in place
Data management and privacy laws in Europe	Ensure that LUX* is legally compliant
Air connectivity	Ongoing discussions with the Association des Hôteliers et Restaurateurs de l'Ile Maurice (AHRIM) and equivalents in the Maldives and Reunion regarding air access and tourism policies
Brexit: Depreciation of British pound	• Market diversification • Currency hedging
Country risk, e.g. in Maldives/Turkey (high political risk and risk of taxation)	• Insurance cover on equity and expropriation for Maldives • Diversification of our operations to other countries • No financial exposure in respect of Turkey operations
Health and safety: Risk of client disease or casualties	• Health and safety audits conducted by reputable companies • Health and safety training delivered to team members • Ensuring that infrastructure is legally compliant and up to standard • Insurance cover
Terrorism and climate change	• Diversifying into different geographical areas • Crisis management plan in place


1 litre



MANUFACTURING & PROCESSING

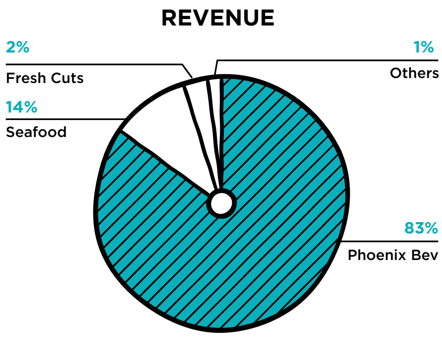
WHAT WE DO

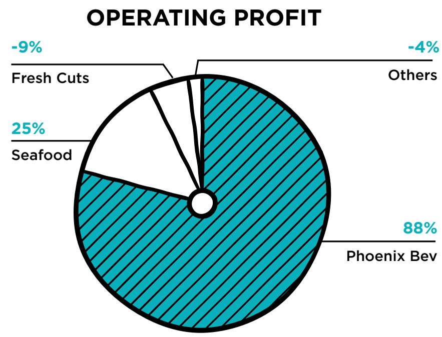
The Manufacturing and Processing Sector consists of businesses active in the transformation or enhancement of raw materials and semi-completed products.

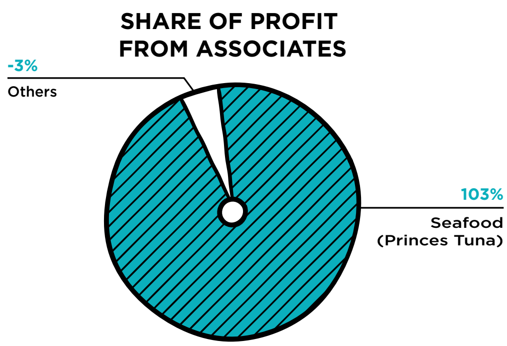
MATERIAL COMPANIES

The sector includes the following key activities:

- Beverages: Phoenix Bev (PBL) (21.66%)
- Seafood: Froid des Mascareignes (70%), Marine Biotechnology Products (67%), Cervonic (96%), Mer des Mascareignes (50%), Nutrifish (24.01%), Aquatic Proteins (70%) and Princes Tuna (43.69%)
- Meat processing and distribution: Freshcuts (100%)



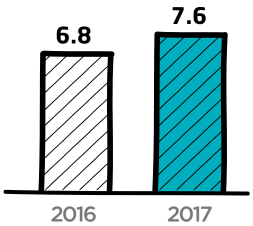




IBL Manufacturing & Processing
At a glance

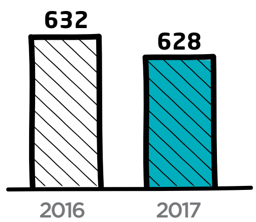
REVENUE

(Rs Billion)



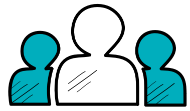
PROFIT FROM OPERATIONS

(Rs Million)



EMPLOYEES

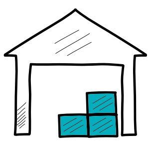
2,000 +



INTERNATIONAL PRESENCE

Reunion (Phoenix Bev),
France (Nutrifish), **India** (Aquatic Protein),
Uganda (Freshcuts)

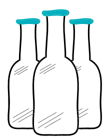
WAREHOUSE OCCUPANCY FOR FROID DES MASCAREIGNES



88%

VOLUME OF BEVERAGES SOLD

(Hectolitres)



2 MILLION

MACROECONOMIC CONTEXT

IBL's beverage activities were positively affected by better than expected consumer purchasing power this year. However, the activity will need to manage the following market changes:

- Direct taxes on our products (i.e. excise duties, sugar tax, tax on PET products) and other legislative changes;
- An increase in commodity prices, due to a large percentage of our inputs being imported;
- A move towards "healthier", non-carbonated products and
- Water shortages in Mauritius.

In Mauritius, the Manufacturing & Processing sector's seafood activities are mainly focused on tuna. The sector is potentially vulnerable to measures taken by the Indian Ocean Tuna Commission (IOTC) in 2016 to limit the amount of yellowfin tuna fished in the region. The implementation of these measures by IOTC member states has lacked coordination, resulting in a "race to fish" in 2016/17, with member states exhausting their tuna quotas prior to year-end. A new resolution voted in by the IOTC this year should address this problem and even out catches throughout 2017/18, ensuring that there is enough fish for the year.

IBL's meat processing and distribution activities have been affected by challenging market conditions. Oil and gas exploration in Uganda has been slower than expected. This has curtailed the development of the catering industry, a key part of our client base. Middle class consumption continues to grow sluggishly, depressing demand for good-quality, higher-priced meat products. Finally, an outbreak of chicken flu affected Uganda's ability to export chicken this year.

SECTOR PERFORMANCE HIGHLIGHTS

The IBL Manufacturing & Processing Sector has had a stable year, with total revenue of Rs 7.6 Billion and profit of Rs 628 Million.

Beverages

Performance overview

IBL's Beverage segment performance was positive overall this year, with a 5% increase in the volume of sales on the Mauritian market.

PBL pursued its regional development strategy with the acquisition of Edena SA in Reunion in April 2016 and the regional launch of new categories of non-carbonated beverage products including iced tea and juice. The consolidation of Edena's results into PBL's numbers contributed to the business' positive performance.

PBL also successfully refreshed its iconic Phoenix Beer brand this year. It commissioned a new production plant (hot fill line) in Nouvelle France, Mauritius, in November 2016.

An increase in the price of inputs, most of which are imported, led us to adjust our prices for some of our products.

Strategy

The Beverage segment is a key driver of IBL's regionalisation strategy. Its focus is on expanding regionally via the acquisition of new businesses and by developing new product categories.

Outlook

IBL is confident that its Beverage activities will continue to do well. Its main growth opportunities include expanding its product range, particularly into juices, and pursuing PBL's regional development.

PBL aims to improve the integration of its businesses on Reunion, building on its newly acquired production unit at Edena, and to launch juice products regionally. The business also intends to commission a new canning line in October this year. The additional capacity and flexibility of this new production line will help IBL to innovate and capture new markets.

Material risks

Risk	Actions taken
Commodity price variability	• Mitigation plan that includes potential price adjustments in place • Business Continuity Plan developed internally to be activated in case of crisis.
Water supply crisis (availability/contamination)	Development of production unit in Nouvelle France to give the Group greater flexibility and capacity
Fiscal risks: changes in tax law or practice	• Raising awareness of impact that fiscal changes would have on beverage industry and employees • Mitigation plan in place that includes potential price adjustments
Increased competition, in particular in Mauritius (from imported beer from COMESA countries)	• Regionalisation / move into new markets • Diversification: development of new beverage categories • Investment in marketing to support our brands' development
Changes in consumption patterns, including a move towards non-carbonated beverages	Development of non-carbonated beverage and juice ranges

Seafood

Performance overview

2016/17 was characterised by ongoing efforts to internationalise the sector's activities and by lobbying efforts to ensure a constant supply of fish.

IBL Seafood had a good year overall, with an increase in profits across all entities. We successful merged Thon des Mascareignes and Princes Tuna Mauritius in 2015, positioning us as one of Mauritius' largest purchasers of yellowfin tuna. Our "Seamagination" initiatives also led to increased performances across the board.

However, profitability was negatively affected by an unforeseen delay in building the fish processing factory in Kerala mentioned in last year's report. The project is facing challenges including community pressure and difficulty obtaining construction permits. IBL remains committed to working in this region and is considering alternative projects.

Strategy

IBL's Seafood activity is part of the Group's international growth strategy. Its aim is to create a truly global sector with operations in the Indian, Atlantic and Pacific Oceans. It also continues to pursue growth in value-added by-products, notably in France via its Nutrifish business.

Outlook

Tuna sustainability remains a key concern for our Seafood activity. We continue to work closely with the Mauritian government to ensure the sustainability of fish stocks in the Indian Ocean.

The amendments voted in at the IOTC's 2017 meeting will limit Fish Aggregation Devices and the number of supply vessels managing these devices. This should have a positive impact on tuna stocks and help reduce fishing fleets' efficiency, ensuring that tuna is available throughout the year in 2017/18.

IBL is also pursuing a value-addition strategy, in particular for fish by-products. It is notably ramping up the activities of its Nutrifish factory in France.

Alongside this, a new recruitment plan and talent management is in place, in line with IBL's broader talent management strategy.

Material risks

IBL and Princes Tuna (Mauritius) are fully committed to the sustainable exploitation of tuna stocks long-term and the minimisation of its impact on the environment.

Risk	Actions taken
Sustainability of tuna stocks	• Lobbying via the Mauritian Ministry of Fisheries to amend an IOTC resolution regarding how tuna quotas are fished. These changes should ensure a smooth supply for 2018 • Ongoing lobbying by Mauritius and its regional partners to ensure that IOTC resolutions ensure sustainable tuna stocks in the Indian Ocean
Brexit: potential lack of trade agreement between the UK and Europe, meaning that fish exports to the UK would be liable to duty. Weak pound will also affect the competitiveness of our exports	Ongoing consultation and joint initiatives with the Mauritian Government, via the Mauritius Export Association, to ensure that Mauritius continues to benefit from duty-free and quota-free access to UK markets

Meat Processing

Performance overview

The financial performance of IBL's Meat Processing business in 2016/17 was on par with that of last year. The business underwent an internal restructure this year: a new Managing Director was appointed; the management team was reorganised and new procedures to mitigate operational risk were put into place. Prior to the restructure, the first six months of the year under review saw a 20% decrease in sales. Thereafter, the restructure led to a dramatic reversal of this situation, with sales increasing by 20% in the final semester of the year. Overall, and despite improved margins, sales were down 3% this year compared to 2015/16.

Strategy

Our Meat Processing business is part of IBL's regional strategy. Its current priority is to consolidate its business, while its long-term goal is to become the preferred meat provider in Uganda.

Outlook

Our business is taking action to recoup the loss of export business that previously represented 40% of its revenue. Investments have been made in the factory and the business is now working with a third-party abattoir to meet high standards of hygiene.

Material risks

Risk	Actions taken
Risk of fraud and malpractice: present at every level in the Ugandan business environment	• New security systems implemented to counter the risk of fraud • New IT front office created to improve credit controls and efficiency
Credit risk: customers delaying / defaulting payments	More stringent controls over working capital cycles, with KPIs shared on a weekly basis
Supply risk: suppliers and farmers rely on cash payments for delivery, further stretching working capital	More stringent controls over working capital cycles, with KPIs shared on a weekly basis
Difficulty of hiring skilled staff in area of operation	HR strategy including hiring of skilled staff from abroad / managing key functions from Mauritius
Hygiene / lack of quality service providers	• Working with a third-party owned abattoir that meets desired safety and hygiene standards • Investments to improve hygiene standards and quality within factory

LIFE

WHAT WE DO

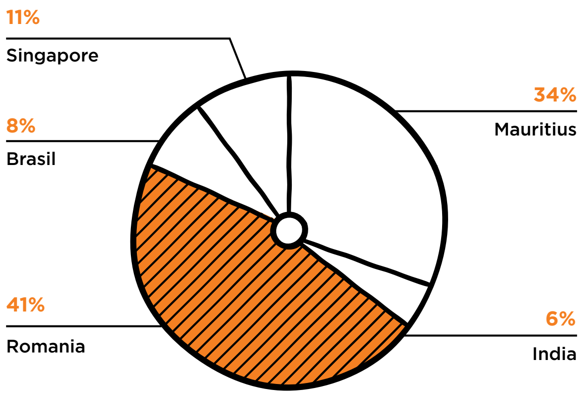
The IBL Life Sector consists of businesses offering clinical research and development for the cosmetic and pharmaceutical industries. It is a core element of IBL's innovation-based international expansion strategy.

- CIDP undertakes clinical research and research and development for the cosmetic and pharmaceutical industries. It operates in three areas of activity: pharmaceuticals, cosmetics and nutraceuticals. Its clients for clinical trials now include global cosmetic and pharmaceutical leaders. CIDP is present internationally by its subsidiaries namely in India, Singapore, Brazil and Romania and works for more than 70 clients in more than 20 countries.
- QuantiLAB offers analytical testing services (food, environmental, pharma and cosmetics and others) as well as consulting and auditing services with the help of a strategic partner. At present, it works with 223 clients in 21 countries.

MATERIAL COMPANIES

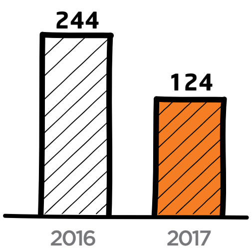
CIDP (80%)
QuantiLAB (50%)

REVENUE
(Shown CIDP % only; Quantilab is an associate)

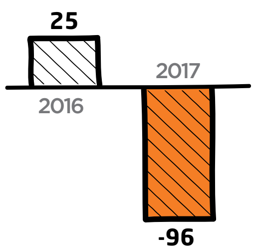


IBL Life
At a glance

REVENUE
(Rs Million)



PROFIT FROM OPERATIONS
(Rs Million)



EMPLOYEES

190 +

INTERNATIONAL PRESENCE
QuantiLAB: **Mauritius (serves a clientele within 21 countries worldwide)**
CIDP: **Mauritius, Brazil, Singapore, Romania, India, USA**

QUANTILAB IN FIGURES

Number of samples handled:
12,440

Number of clients:
227

Number of accredited methods:
152

CIDP IN FIGURES

Number of clinical studies:
492

Number of clients around the world:
40+

MACROECONOMIC CONTEXT

IBL's Life sector has been affected by modest international growth and a general climate of political uncertainty; including the potential loss of Obamacare in the US. This has resulted in several of CIPD's large projects being pushed back to the next financial year due to clients taking a more cautious approach to investment.

Because much of our business comes from clients requesting analyses and audits in order to comply with regulation, both QuantiLab and CIDP are vulnerable to changing R&D regulations in a number of locations that the businesses operate in. Because much of our business comes from clients requesting analyses and audits in order to comply with regulation, the business depends on how regulated the various market are as laws and enforcement of laws triggers analysis and audits.

Due to the businesses' international activity, they are also exposed to foreign exchange fluctuations and to customs and cross-border logistical issues.

Performance overview

Due to the global economic uncertainty described above, some of CIDP's projects have been pushed back into the 2017/18 financial year. This explains the drop in revenue and resulting loss for the year 2016/17. To compensate for this, CIDP is actively developing its research and development activities, which it subsidises with its pre-clinical services.

It is also innovating with new products, including "Blue Light" and "Anti-Pollution" protocols and products that make use of CIDP's access to the unique bio-diversity of areas such as Mauritius and Brazil (by promoting the natural active ingredients found in Rodrigues lime for instance). It is also investing in communications and marketing to increase CIDP and its protocols' visibility. This has resulted in several contracts being secured for each protocol for the next financial year.

QuantiLAB saw a 25% increase in turnover this year. The number of samples that it analysed this year increased by 16%.

The business extended its ISO17025 accreditation this year, giving it access to a larger market. It created a pharmaceutical and cosmetics quality control laboratory. QuantiLAB intends to build on this achievement by implementing a Laboratory Information System (LIMs) for the management of data in the next financial year.

Strategy

Both CIDP and QuantiLAB are a crucial part of IBL's international expansion strategy. They spearhead the Group's innovation efforts.

In the short-term, CIPD aims to provide leading clinical and consultancy services. These activities currently subsidise CIPD's R&D services. In the long term, the business aims develop a full range of R&D services (screening of active ingredients, formulation, sourcing and commercialisation) and itself as a supplier of high-quality active ingredients.

QuantiLAB aims to secure an increasing percentage of its income from the non-equine (food and environmental) sectors and to compete for public tenders in the Indian Ocean region.

Outlook

In line with its strategy, CIDP will continue to develop its clinical research offer by investing in its quality policy; more aggressively marketing itself; and pursuing its business development goals. It will seek to attract investment for new pharmaceutical and cosmetics projects. The growth of emerging markets also represents a potential business opportunity.

CIDP will pursue its objective of offering a full range of R&D activites in partnership with CMO organisation Biolabex, which handles product manufacturing and formulation.

The enforcement of regulation governing food, environment and pharmaceutical products in Mauritius represents a major opportunity for QuantiLAB to develop its activities. QuantiLAB is aggressively marketing itself and is actively seeking to diversify its client portfolio locally and in the region (Seychelles, Madagascar, Mayotte and Reunion etc).

As part of its effort to diversify away from the equine market and into food and environmental testing, QuantiLAB has partnered (SLA) with Merieux NutriSciences to increase its access to the food production and hospitality markets.

The hotel industry represents a major potential market for QuantiLAB in terms of food, environmental testing and hygiene audits. Two QuantiLAB specialists have now been trained in food safety auditing to cater to the needs of the local and regional hospitality market. Thanks to our ongoing marketing efforts, QuantiLAB added four new hotels to its client portfolio this year, recently signed a testing/audit agreement with a large hotel group and it is confident of securing a two-year contract with one of the largest Mauritian hotel groups. The hope is that this will give us a foothold in the hospitality sector.

Material risks

Risk	Actions taken
Global climate of political uncertainty resulting in slowdown in contracts secured	• Diversification of our services and client portfolio: Full R&D activities (CIDP); testing for hospitality sector and equine sampling kits (QuantiLAB) • Proactive development of new protocols, including in-vitro and in vivo protocols on pollution and blue light (CIDP) • Implementation of aggressive marketing strategy (QuantiLAB) • Cost and credit controls (QuantiLAB and CIDP)
Political risks: Regulation and changes in laws pertaining to R&D and testing, customs-related risks for investigational products (IP) and equipment imports	• International diversification across different regions • Diversification of our services and client portfolio • Developing and marketing natural active ingredients, available locally (CIDP) • Constantly communicating with authorities to ensure smooth cross-border logistics (QuantiLAB and CIDP)
Foreign currency fluctuations	• Diversifying internationally • Diversifying our services and client portfolio
Recruitment of qualified staff for R&D activities	• HR strategy now in place • Recruiting international talent, though this poses challenges as well

LOGISTICS

WHAT WE DO

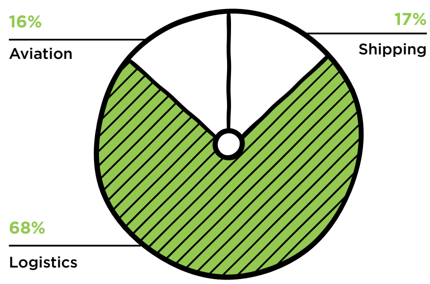
The IBL Logistics Sector provides services and solutions in:

- Logistics: Warehousing, freight forwarding, courier services, transportation
- Aviation: GSA airlines representation, travel agencies, training, ground handling
- Shipping: Shipping agencies, shipping line representation, ship owning and management

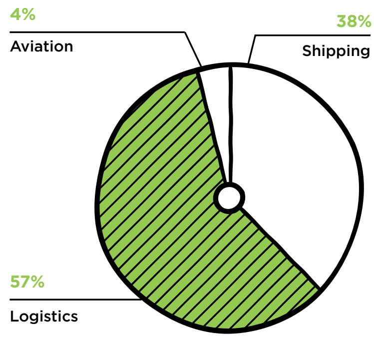
MATERIAL COMPANIES

Logidis (100%)
Somatrans (75%)
IBL Ship Owning (100%)
Ground2Air (100%)

REVENUE



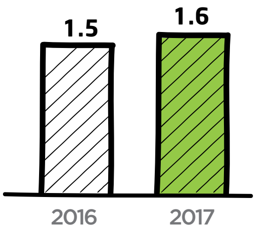
PROFIT



IBL Logistics
At a glance

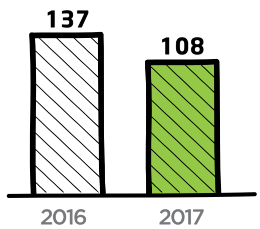
REVENUE

(Rs Billion)



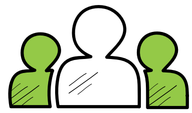
PROFIT FROM OPERATIONS

(Rs Million)



EMPLOYEES

1,000 +

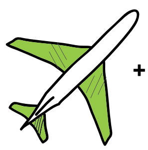


REGIONAL PRESENCE
The Comoros, Madagascar

WAREHOUSE OCCUPANCY

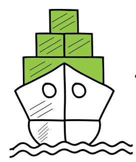
86%

NUMBER OF AIRCRAFT TURNAROUNDS
(Year on year change)



+7%

TONNAGE CARRIED
(Year on year change)



+6%

MACROECONOMIC CONTEXT

As explained in our Manufacturing & Processing sector review (see page 85), international tuna fishing quotas are currently being put into place to manage fish stocks in the Indian Ocean. These quotas will curtail the amount of tuna available to be processed in Mauritius, creating uncertainty in the seafood sector with knock-on effects for IBL Logistics' shipping activities.

Brexit is a major concern. Together with France, the UK remains Mauritius' top export destination. The absence of a trade deal between the UK and EU would require duty to be paid on Mauritian goods exported to the UK, in particular for textile and fish exports. This, together with the weakening of the pound, will affect the competitiveness of these industries, with potentially negative consequences for air and sea transport.

More positively, Mauritius' growing open-sky policy is creating opportunities for the growth of IBL's aviation activities, including potentially expanding into training.

Performance overview

Revenue for the sector was comparable to that of previous year. Profit from operations was impacted by a non-recurring loss on disposal. The main change in IBL Logistics' activities is its vigorous expansion into e-commerce. Its Alalila taxi service, launched last year, has gathered momentum. It will launch a new application offering services to individual customers in 2017/18.

This year the sector also launched Desktop Office Supply, an online platform through which businesses can order desktop office supplies. The business is in the early stages of its growth and currently only serves IBL Group Businesses. Its next step will be to offer its services on the Mauritian market more widely.

The aviation business has moved from making a loss a few years ago to making a respectable profit and return. This is the result of new airlines arriving in Mauritius and to sustained efforts to be more efficient and diversify into other services.

However, our shipping activities have seen lower revenues and profitability due to higher than expected dry-docking repair costs and delays in repairing our reefer vessel. This in turn has led to a lower number of charter hire days offset by an increase in tonnage. We also disposed of our vessel Pelamis, which had been in operation for 30 years, to avoid the risk of major repairs and breakdowns.

The sector is also expanding into vocational training. The G2ACamas marine school opened in October 2016 to offer training to potential cruise ship recruits. Students are placed in internships within the hospitality sector, and G2ACamas works in collaboration with cruise ship recruitment agencies to help graduates obtain jobs.

IBL Logistics' warehouses are now operating at full capacity and have had to outsource warehouse space. We are therefore actively investing in storage and transport capacity to support our expansion. A new cargo terminal was completed in March 2017.

Strategy

In line with IBL's aim to innovate and keep pace with the jobs of the future, IBL Logistics is pursuing a digitalisation strategy by investing in e-commerce activities. The sector is also modernising its IT infrastructure to improve its efficiency and improve the quality and timeliness of its business information.

In particular, IBL Logistics is ideally placed to both build and market its own e-commerce platforms and offer logistics and technology-related support services to third-party e-commerce businesses.

Outlook

E-commerce represents a major opportunity for IBL Logistics in the medium to long term. The sector will continue to build up its transport, warehousing and data analytics capabilities in order to provide services to external e-commerce businesses, including within the IBL Group. An IT project team is in place to review the sector's infrastructure and implement new and more competitive systems.

The sector also intends to launch several new e-commerce platforms including an online travel business.

Building on the success of the sector's training school, IBL Logistics will seek to apply the same business model to other promising areas of activity and explore regional opportunities.

Material risks

Risk	Actions taken
Brexit: Risk for seafood and textile industries, which in turn will affect the air freight business. Potential for duty to be added to fish and other products, making Mauritius less competitive compared to other markets	Pursuing diversification to minimise dependency on particular types of trade
E-commerce: Need to transform traditional way of doing business and remain competitive	• Expanding into e-commerce by offering logistics supports services • Creation of IT Team to reinforce sector's technical capabilities • Creation of own e-commerce platforms
Seafood: Potential impact of resolutions re tuna fishing quotas / knock on effect for reefer vessels	• Closely monitoring the regulatory situation • Preparing for a busy start to the 2018 fishing season
Lack of infrastructure capacity	• Increasing storage capacity: Contract agreed with IBL Property for a 5,000m² building in Riche Terre to increase our warehouse storage capacity • Moved into a new 4,000m² building in April 2017 to increase the capacity of our airport Cargo Terminal
IT infrastructure and Application Systems not being optimised for security or best practice	• An IT project team is already in place to review our existing infrastructure • Cloud services are also being explored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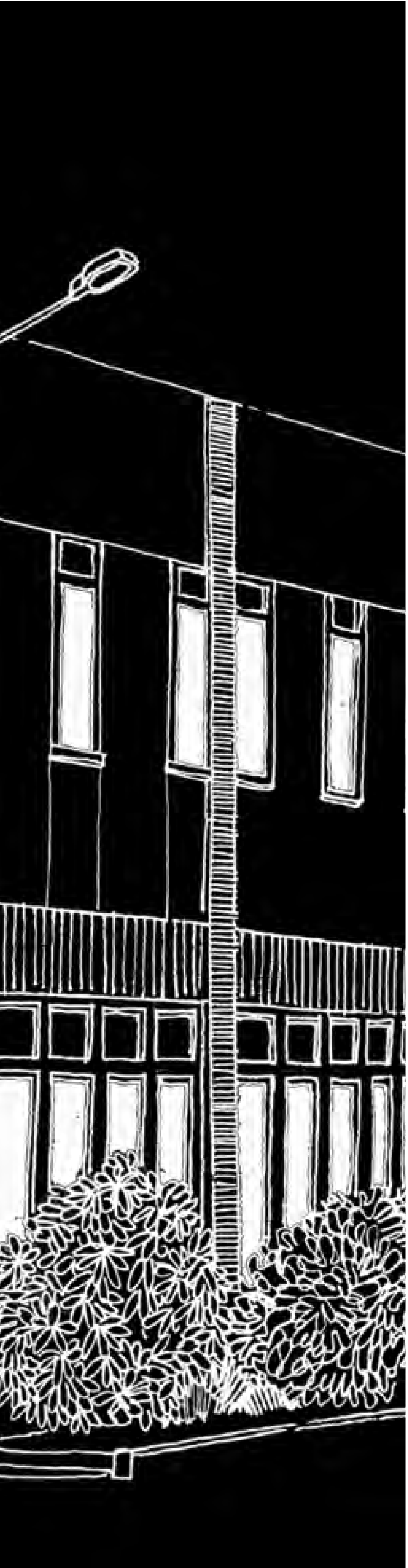
Scomat



PROPERTY

WHAT WE DO

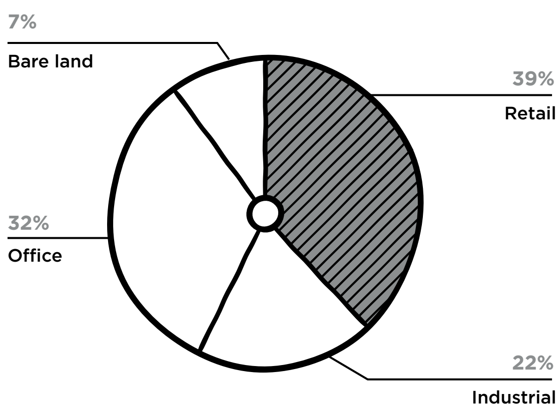
The IBL Property sector acquires, holds and manages retail, office and industrial properties for the IBL Group. Its activities consist of:

- Property investment: acquiring new properties for the Group;
- Property asset Management;
- Property management; and
- Facilities management.

MATERIAL COMPANIES

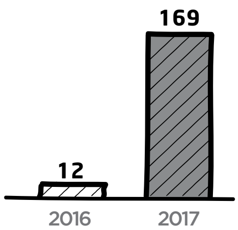
Bloomage Ltd (100%)

TOTAL ASSETS SPLIT BY CATEGORY

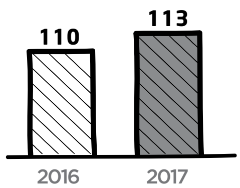


IBL Property
At a glance

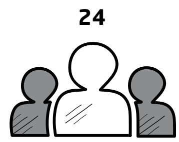
REVENUE*
(Rs Million)



PROFIT
(Rs Million)



EMPLOYEES



Average Occupancy: **95%**

Total property portfolio under management:
Rs 3.2bn

Total area owned and managed by Bloomage as at 30 June 2017:
+100,000m²

* Due to changes in accounting policies

MACROECONOMIC CONTEXT

IBL's Property sector continues to be affected by Mauritius' moderate economic growth, which is limiting the growth of the industries it serves and depressing demand for rental space.

The sector also faces an oversupply of commercial and industrial rental space in Port Louis, where 70% of its gross leasable area is located. This is putting pressure on rental prices and occupancy levels.

This issue could be compounded by the development of "smart cities" in Mauritius. Large amounts of offices space being developed could potentially lead to a decline in rental prices.

Performance overview

IBL's property activities were previously managed by IBL Property, which provided management and maintenance services for the Group's property portfolio. The business is now moving towards a focus on enhancing the value of its substantial property portfolio, which is currently valued at Rs 3.5 Billion. The Bloomage Property Fund (Bloomage) has been created for this purpose.

Since its creation, Bloomage has acquired a number of properties from IBL, purchased the Riverside Mall, and refurbished several properties occupied by the Group's businesses, including IBL House at the Caudan.

The sector faces challenges in certain specific properties where vacancy rates are higher than our benchmark targets. Bloomage also plans to enhance its processes and upskill its staff to deliver on its ambitions.

Strategy

IBL's property activities are part of its core Mauritian strategy.

The IBL Property Sector is currently undertaking a strategic review of its asset base.

Its immediate priorities are to improve its asset and property management capabilities to generate higher financial returns from its property portfolio and consolidate earmarked properties into Bloomage.

Outlook

The objective for the sector is to complete its transformation from a property management operation to a business that focusses on asset management in order to enhance value. This will require investment in internal systems, processes and people.

The business also aims to increase occupancy rates by upgrading and refurbishing buildings to higher standards.

Material risks – Bloomage

Risk	Actions taken
Market risk: oversupply of rental property putting downward pressure on rentals	• Landlord and tenant act due to come into effect 1st of January 2018 should increase rents in Port Louis • Enhancing internal leasing capabilities and networks with leasing specialists to develop strong tenant prospect pipelines and fill vacancies
Insufficient IT systems to support new business model	Investing in internal IT systems
Ability to recruit the right skills to transition to its new business model	Attracting new talent and investing in training for existing staff
Geographical concentration risk	• Strategic review of asset base being undertaken • Group risk management framework being implemented

CORPORATE SOCIAL RESPONSIBILITY REPORT

CSR AND NON-CSR INITIATIVES

ABOUT FONDATION JOSEPH LAGESSE

Fondation Joseph Lagesse (FJL) is a not-for-profit organisation that works with partner NGOs on social and environmental issues in Mauritius. Its mission is to be a trusted partner that helps promote human dignity and the social inclusion of vulnerable people.

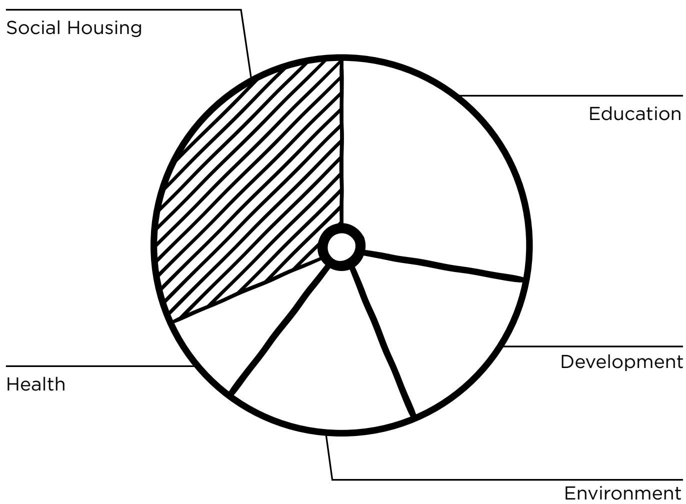
FJL has 12 years of experience in the empowerment of vulnerable groups, poverty reduction and sustainability and environmental issues. Our work has focused in particular on two neighbourhoods: the vulnerable populations of Bois Marchand (Terre Rouge) and Chemin Rail, near Plaines des Roches.

In 2016/17, the organisation was funded in large part by private companies, mainly from the IBL Group, and to a lesser extent by individual contributors.

THE FOUNDATION'S AREAS OF ACTIVITY

FJL funds projects delivered by its partner NGOs within the key priority areas defined by Mauritius' national CSR framework. It also funds a number of other initiatives that fall outside of these focus areas. Its areas of focus are:

- Education (partly non-CSR: 1.5 Million value)
- Community development
- Health
- Environment and sustainability
- Social housing (non-CSR)



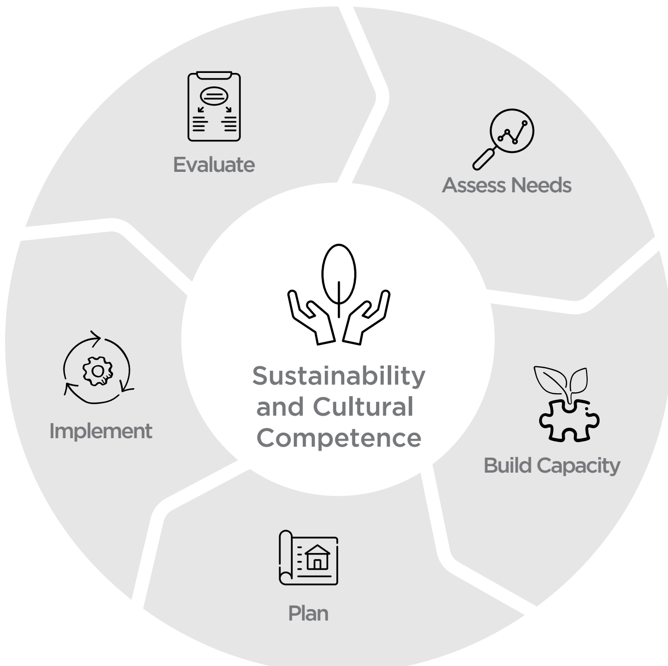
We are reporting on an exceptional 18-month financial year, from January 2016 to June 2017, following a decision made by the Board to extend the 2016/17 financial year by 6 months to align with the fiscal year-end as of 2017.

Community development

FJL is deeply committed to Bois Marchand as a neighbourhood. The Foundation believes in taking an integrated, holistic and people-centred approach to projects by working with communities to help them define and implement their own community development projects. This helps strengthen the community's resilience and enables the Foundation to have a sustainable impact.

In 2016, the Foundation concluded the *Bois Marchand Mo Landrwa 2016*, which consisted of five projects to address the community's needs as assessed in 2013 and 2014. Five NGOs were involved and worked on issues including providing support to street children, embellishing and installing a new bus stop, strengthening parental skills, preventing drug abuse and building sanitary blocks for six beneficiaries.

FJL's Community Development Department is now kicking off a community-based project that is due to run for the next three years. It is based on the Strategic Prevention Framework model outlined below.



The Strategic Prevention Framework is the main tool that FJL uses to structure its community development programme at Bois Marchand.

A needs assessment and capacity-building were carried out in 2016/17.

Planning and project implementation are scheduled for 2017/18.

Education

In 2016/17, FJL's Education Department strengthened its childhood-related activities by reviewing afterschool workshops for 75 pupils attending the Terre Rouge primary school and living in Bois Marchand.

The Foundation funded and ran the École Maternelle Ste-Famille de Bois Marchand, where approximately 50 children have received a high-quality pre-primary education from trained teachers every year, for the past seven years. More than 200 children from the community and their parents benefit from FJL's educational programmes.

Breakfasts, lunch and afternoon snacks are provided to children as part of these programmes.

Our education work in Bois Marchand in figures

- 74,902 meals prepared and distributed at Complexe Bois Marchand between January 2016 and June 2017 (41,265 breakfasts, 16,497 packed lunches and 17,140 afterschool snacks);
- 450 hours of afterschool care delivered to children attending Standards 1 to 4 at Terre Rouge Government School;
- Over 100 Bois Marchand families received regular advice and support from our home visitors; and
- Over 2,300 children received support and were directly or indirectly impacted by our initiatives in the fields of literacy, hunger reduction, psychological support and educational training.

At Chemin Rail, in the north of Mauritius, FJL also offers afterschool workshops and educational support to 18 children and teenagers. They receive training in IT, community gardening and bee-keeping as well as support in completing their homework..

Fondation Joseph Lagesse is also a major funder of 13 *Centres d'éveil* (preschools) run by Caritas Ile Maurice (funding: Rs 6.6m in 2016/17) and of a nursery centre at the Women's Prison at Beau-Bassin, called Kids R Kids, run by Terre de Paix (funding: Rs 1m in 2016/17).

Other projects in Education include:

Support to students
FJL provides scholarships to six students in Mauritius and seven students overseas, two of whom will receive the Fondation Joseph Lagesse Scholarship Scheme for a period of three years.

It also sponsors students from two vocational educational schools: four students at Collège St. Patrick and one at Collège Technique St. Gabriel. FJL will provide support to 75% of students at Collège Technique St. Joseph in Rose-Hill in 2017/18.

Moriscopie "Je lis mon île"
More than 1,000 children attended a live theatrical reading and received a book as part of the "Je lis mon île" project run by Moriscopie.

Afterschool care workshops

80 children living in Bois Marchand attended theatre classes run by La Comédie Mauricienne.

14 children attending Ramnarain Government School, Terre Rouge, participated in a Radio Show at MBC Moka.

30 adults attended training, held over three sessions, on the prevention of sexual abuse of children, run by Pedostop. They received a kit consisting of a booklet and DVD in Creole and French.

65 pre-primary children and seven adults visited Casela World of Adventures.

Health

In 2016/17, JFL's Health Department funded medical treatment for five people with various illnesses. It was also involved in a community-based project to fund the ongoing medical care of 47 children in Le Morne and La Gaulette. The project is run by Soleil de l'Ouest and beneficiaries are seen by a paediatrician and a nutritionist.

The Health Department was also involved in supporting projects from IBL's Seafood and HealthActiv businesses. These projects provided nutritional support to children living in northern Port-Louis; infant milk to 360 children in nine different nurseries; and breakfasts to 45 children in Roche Bois and Batterie Cassée.

IBL On The Move 2017

This year, IBL sponsored a major sporting event to raise funds for an NGO that provides care, support and information to those suffering from breast cancer. Breast Cancer Care received Rs 762,940 in donations, representing 100% of registration fees. The project enabled the organisation to buy equipment for women undergoing treatment for breast cancer; fund the services of three medical practitioners; purchase medical supplies; and sponsor mammograms and breast reconstruction for two women.

Environment and sustainability

In 2016/17, FJL created a major environmental protection programme, Anou Gard Nou Pei Prop Ek Zoli, in partnership with local collective Kolektif Ecoguards. The programme, funded by IBL partner companies, organised and sponsored environmental awareness campaigns in RCA and Governmental Schools around the island. Five beach days were also organised with students from the Adolescents Non-Formal Education Network (ANFEN) to raise awareness of environmental issues.

FJL was involved in AfrAsia's Think Green programme this financial year. This initiative allowed the bank to drastically reduce its paper consumption. The resulting savings were invested in other "green" and CSR initiatives.

FJL also supported recognised NGOs such as Mission Verte, for instance by funding PET plastic and tin can recycling bins in the Caudan Foodcourt in partnership with LUX*. The Foundation also supported the Island Bio Organic Kitchen garden, which is based in a deprived area of Baie du Tombeau.

It also launched a bee-keeping club at Chemin Rail. The club is run by neighbourhood teenagers and young adults. The Dombeya Agricultural Youth Club also started the Happy Bees project, whose aim is to collect and distribute the honey produced at Chemin Rail. They have also set up and are currently running a community garden.

Thanks to LUX*, we celebrated Earth Hour by distributing solar lamps in Bois Marchand.

Unfortunately, a project to restore the banks of the Rivière Sèche had to be abandoned after its first year due to the project's partners having dissimilar objectives.

Social housing

FJL's biggest project to date is a major social housing initiative in Chemin Rail, near Rivière du Rempart in northern Mauritius. The project aims to build and donate 15 houses to 19 families living in the area. This initiative is the result of 12 years of ongoing social support and sustainable development initiatives, including the creation of a training centre and of a one-year housekeeping programme, to help the community's families out of poverty.

Five families who chose to stay in their existing homes have had leases for their properties drafted and signed, allowing them to look forward to being land owners.

The project is due to come to an end during the 2017/18 financial year with the completion of 11 additional houses.

NON-CSR INITIATIVES

Fondation Joseph Lagesse Scholarship Scheme

FJL has historically supported young adults who need assistance to fund their tertiary education. Over the years, many young Mauritians, including from Rodrigues, have successfully completed their studies. They are now working in Mauritius in fields including management, marketing, finance, hospitality management, community service, social work and business statistics.

At present, seven FJL scholarship recipients are completing their graduate studies in the U.S., France and China, thanks to the contribution of private companies outside of the national CSR framework.

Despite the funding challenges presented by the new CSR framework, FJL is determined to continue to support young people by funding their university education and helping them build a brighter future for their whole family.

Fondation Joseph Lagesse Scholarship Scheme
The FJL Scholarship Scheme is awarded every two years. A new Scheme was launched in July 2017. The first beneficiary of the Scholarship Scheme 2015 was completing his second year of studies at the time.

Innovative fundraising solutions

In 2016, FJL co-founded Small Step Matters, a non-profit organisation and crowdfunding platform. It enables the public to fund social and environmental projects in Mauritius via www.smallstepmatters.org. The project was born out of FJL's desire to make funding available to smaller projects that it cannot support.

Projets Sourire

The "Projet Sourire" scheme provides funding of up to Rs 100,000 to local, short-term community projects in the areas in which the IBL Group's Businesses operate.

IBL Businesses including DTOS Ltd, Seafood, Engineering, HealthActiv, LAS and Winner's were involved in Projets Sourire this year. They supported short-term initiatives run by local organisations including Terre de Paix, the Centre d'éveil de Bois Marchand, Pailles and Roche-Bois, Cours Jeanne d'Arc, Gender Links, the Serge Coutet Government School and Les Amis de Don Bosco.

Proximity projects

Certain IBL sectors, such as Seafood, provide long-term support to local organisations or schools to help the community and its inhabitants. Mouvement Bien-Être de Batterie Cassée and Serge Coutet Public School both received substantial support from the IBL Seafood cluster.

CHALLENGES AHEAD

It is an extremely challenging time for the eradication of poverty and social exclusion in Mauritius. The country's new CSR framework, which came into effect as part of the amended Financial Act 2016 and 2017, stipulates that 50% of CSR funds must go directly to the Mauritius Revenue Authority (MRA).

For FJL, this has a direct impact on ongoing programmes in Bois Marchand and Chemin Rail. 50% of the Foundation's budget for 2017/18 has been cut. The new framework therefore puts programmes and support initiatives at risk. This has a major impact on the recipients of ongoing programmes as well as on service providers and those employed within NGOs and foundations. FJL is both a financial support provider of services implemented by NGOs and a service provider.

The new CSR regulations have a direct impact on FJL's capacity to meet its funding commitments in the long term. In light of the new CSR framework, we have had to put our 3-to-5 year programmes on hold for the time being.

SUSTAINABILITY REPORT

SUSTAINABLE GROWTH: A STRATEGIC IMPERATIVE

Sustainable development is at the heart of IBL's strategy and ambitions. Sustainability is both the ethical thing to do, in line with the IBL Group Values, and makes good business sense. There is an increasingly clear link between sustainability and the performance of a business in the long term, not least because of the reputational advantage that it provides.

Sustainability is also an opportunity to innovate. As a Group, sustainability considerations challenge us to be creative and come up with new ways of doing things, provide environmentally-conscious services and reach out to sustainability-sensitive markets, in the hospitality sector for instance.

For IBL, sustainability means:
- Contributing to the economies and societies in which we operate by employing local people and investing in CSR programmes that benefit vulnerable communities;
- Preserving the environment;
- Investing in human capital;
- Guaranteeing responsible practices across the Group, in part by ensuring our governance is robust; and
- Building stakeholder trust by improving transparency in our reporting and business practices and reducing risk.

A new sustainability department within the IBL Corporate Center

IBL is committed to improving the Group's sustainability culture and to actively integrating sustainability principles into its strategy and operations.

Many of the Group's Businesses already integrate sustainability into their business practices. IBL's intention is to bring together these initiatives, and the CSR work undertaken by the Fondation Joseph Lagesse and elsewhere within the Group, to give them renewed momentum and a common focus.

We are therefore in the process of creating a Sustainability Department within the IBL Corporate Centre. Its role will be to assess the sustainability initiatives that already exist across the Group and to establish a set of Group-wide sustainability policies to guide and structure the Group's work in this area. These policies will be overseen by a dedicated steering committee.

The Sustainability Department will also be tasked with:
- Providing Group Businesses with tailored assistance and guidance in developing and implementing a sustainability approach, if they have not yet done so. LUX* and AfrAsia have established sustainability committees and we are confident that other Group Businesses will begin to implement sustainability frameworks as of next year;
- Creating a dialogue and sharing information with those responsible for CSR and sustainability within each Business, with the support of IBL's Business Development department; and
- Promoting good practice in sustainability reporting throughout the Group, drawing on the experience of IBL Businesses such as LUX*.

Reporting in line with international standards

In the future, IBL aims to report on its sustainability according to international guidelines including the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, the United Nations Sustainable Development Goals, UN Global Compact and International Integrated Reporting Council standards.

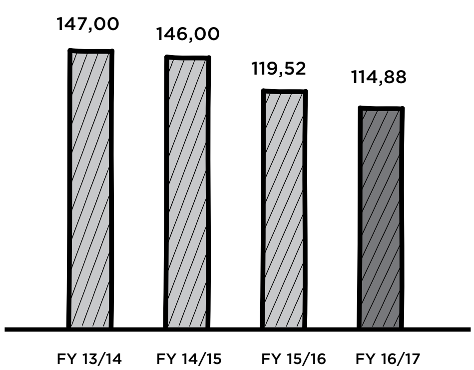
IBL's Sustainability Department will be responsible for analysing non-financial data collected by Group Businesses' CSR and sustainability teams. It will use this information to report on our impact and direct Group-wide sustainability efforts in order to meet our targets. The Department should also be in a position to encourage synergies between business units and blue economy, include quantitative data about the Group's sustainability performance in IBL's 2018/19 integrated report. It will support Group Businesses in their materiality analysis and reporting.

HOW IBL BUSINESSES ARE INTEGRATING SUSTAINABILITY INTO THEIR OPERATIONS

Energy savings at LUX* Resorts & Hotels

- LUX* is one of the IBL Group's sustainability pioneers. It is the first hotel group to have been listed on the Stock Exchange of Mauritius Sustainability Index, based in part on its adoption of sustainable business practices.
- LUX* actively seeks to move towards renewable energy and reduce its carbon emissions year on year. Its Sustainability Committee, staffed by a group of specialists, drives the implementation of environmental and energy saving initiatives. These include an energy management system, a carbon management strategy and the introduction of LED lighting in LUX* facilities, among many others.
- LUX*'s flagship Tread Lightly programme invites guests to offset 100% of the carbon emitted during their stay in a LUX* hotel for a €1 nightly fee. 32.5% of that sum goes to carbon compensation projects and 67.5% to energy and carbon reduction projects.
- These fees are then donated to carbon offsetting projects in the regions in which LUX* operates. To date, these projects include the production of renewable energy by windmill owners in India and biogas producers in eastern Africa; the provision of "green" energy to 35,000 people in Mauritius; and the installation of 130 solar panels and batteries on Ile aux Deux Cocos, LUX*'s private island in Mauritius. This facility produces 20kW per hour and provides the island with 11 hours of entirely renewable power a day – enough for it to be self-sufficient.

ENERGY (KWH/RNS)



REDUCTIONS

-22% against baseline

-4% against last year, demonstrating a decrease in energy intensity

PROJECTS

Low Energy Consumption Lighting

Key card controls

Energy Management System

Communication and awareness-raising

Reducing and reusing plastic with PhoenixBev's Eco-Twist bottle

- PhoenixBev has always been committed to protecting the environment. It treats its waste water, recycles glass bottles via the Mauritius Glass Gallery and has rehabilitated the dry river at Phoenix in Mauritius.
- In particular, PhoenixBev is keenly aware of the environmental impact of plastic. The Business invests around Rs 130m a year in recovering and recycling plastic bottles.
- As part of the Business' commitment to reducing the environmental impact of plastic, it has invested in a new industrial facility to allow it to bottle its Crystal-branded water in "Eco-Twist" packaging.
- The packaging requires 18% less plastic than traditional bottles to manufacture, thereby reducing the bottles' environmental impact. Because the bottles weigh less than traditional bottles, they require less energy to transport and are easier to recover and recycle. They therefore help reduce PhoenixBev's carbon footprint.
- Alongside the introduction of the Eco-Twist bottle and its wider efforts to raise awareness of the impact of plastic among the public, PhoenixBev has invested in a campaign to educate children about recycling.

Ze Dodo Trail reforestation project

- Ze Dodo Trail, which organises the yearly Dodo Trail sporting event, has entered into a partnership to help restore part of the Black River Gorges National Park in Mauritius.
- The project builds upon a previous IBL initiative to maintain and restore 2.7 hectares of endemic forest between 2012 and 2017, and contributes to the ongoing national effort to restore Mauritius' unique biodiversity.
- Mauritius' National Parks have been heavily degraded by invasive alien plants, which destroy endemic ecosystems. They also suffer from pollution, with an average of 2.3 tonnes of waste removed from parks every month. 75% of this litter is disposed of outside of waste bins.
- Ze Dodo Trail's reforestation project aims to:
  - Help clear the Black River Gorges National Parks of invasive exotic species, restore endemic ecosystems and upgrade trail signage, to create an experience that will attract visitors and educate them about biodiversity conservation; and
  - Raise awareness of biodiversity conservation among the Mauritian public and encourage people to care for their National Parks.
- The project is a partnership between Ze Dodo Trail, the Ministry of Agro-Industry and National Parks and Conservation Services and NGO Forena (La Fondation Ressources et Nature). It is due to run for three years, from 2017 to 2019.
- The project is funded entirely from Dodo Trail registration fees. Rs 50 from each registration fee is donated to the initiative. The Dodo Trail's 2017 edition has collected MUR 68,000 to date, enough to fund the restoration of 500m^2 of forest. The aim is to restore and maintain 1000m^2 of forest per year.

CORPORATE GOVERNANCE REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of IBL Ltd has pleasure in presenting the Integrated Report and the audited financial statements of the Company and the Group for the year ended 30 June 2017.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTEGRATED REPORT

The Directors are responsible for preparing the Integrated Report and financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and the external auditors are responsible for reporting on whether the financial statements are fairly presented. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Ensure compliance with the Code of Corporate Governance and provide reasons in case of non-compliance with any requirement of the Code.

Over and above the mentioned requirements keeping adequate accounting records that are sufficient to show fall also under the responsibilities of the Directors who are required to explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for maintaining an effective system of internal control and risk management.

The Directors hereby confirm that they have complied with the above requirements.

Approved by the Board of Directors on 25 September 2017 and signed on its behalf by

Jan Boullé
Chairman

Maxime Rey
Director

CORPORATE GOVERNANCE REPORT

INTRODUCTION

IBL Ltd is qualified as a public interest entity as defined under the Financial Reporting Act 2004. The Board of Directors is responsible for leading and controlling the Company and is committed to high standards of corporate governance. The new Code on Corporate Governance, which departs from a "Comply or Explain" principle to move towards an "Apply and Explain" basis is applicable as from the financial year beginning 01 July 2017. However, in line with good governance principles and best practices, IBL Ltd has decided to move towards an early adoption of the new Code, which is based on 8 principles. The Board recognises that whilst there is much yet to be achieved as per the new Code, it considers that it has applied most of the principles of the new Code throughout the reporting period, 01 July 2016 to 30 June 2017.

GOVERNANCE STRUCTURE

The Board oversees the operations of each business cluster through monthly management committee meetings which are attended by executives appointed by the Corporate Governance, Nomination and Remuneration Committee of IBL Ltd. Proceedings of these meetings are then reported to the Board of IBL Ltd.

Governance Charter and Annexes (the "Charter")

The Charter which has been reviewed following the amalgamation has been approved by the Board of Directors of IBL Ltd on 11 May 2017.

The Charter defines, inter alia, the role, function and objectives of the Board of Directors, various Board Committees, Chairman, Group CEO, senior executives. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision-making processes within the IBL Group.

The Charter also describes other complementary policies put in place, including:
- The Charter of Values and Ethics; and
- The Environmental Charter.

The main objectives of this Charter and its annexes are set out below:

Charter
- To align the governance of the Group with international best practice; and
- To provide a framework to ensure sustainability and transparency.

Annexes
- The rules of procedures of the Board and the Sub-Committees;
- Best practice guidelines for securities transactions; and
- The Directors' Code of Conduct.

The Board of Directors of IBL Ltd has not yet determined the frequency of review of all relevant charters.

Code of Ethics
A review of the Code of Ethics is currently being carried out by the Ethics Officer. The revised code will inspire itself from the values of the Company and from the codes which were existing prior to the amalgamation. The revised Code of Ethics is expected to be submitted to the Board for approval during the course of this upcoming financial year and once approved, will be regularly monitored.

Profiles of key governance officers

Arnaud Lagesse
Group Chief Executive Officer

Arnaud Lagesse holds a Masters in Management from the Université d'Aix-Marseille and graduated from the Institut Supérieur de Gestion de Paris. He has also completed a Professional Development Programme at INSEAD in Fontainebleau (France) and an Advanced Management Programme (AMP180) at Harvard Business School in Boston, USA. Arnaud was President of the National Committee on Corporate Governance of Mauritius and was previously President of the Chamber of Agriculture, the Mauritius Sugar Producers' Association and the Sugar Industry Pension Fund. He is the Group Chief Executive Officer of IBL Ltd since 01 July 2016.

Yann Duchesne
Group Chief Executive Officer – Operations

Yann Duchesne graduated from Ecole Polytechnique, Ecole des Mines de Paris and Institut d'Etudes Politiques de Paris. He spent 12 years as Senior Partner at the Private Equity firm Doughty Hanson in London. Prior to that, he worked for 20 years at McKinsey where he was the Managing Partner for France. He has also extensively worked in the US, Japan and various European countries. He has wide experience in the Financial Institutions, Pharmaceuticals, Industrial and Luxury sectors. Yann is the Group Chief Executive Officer – Operations of IBL Ltd.

Jean-Claude Béga
Group Head of Financial Services and Business Development

Jean-Claude Béga is a Fellow Chartered Certified Accountant (FCCA), and started his career in a large audit firm where he worked for 7 years and subsequently became Chief Accountant in a group involved in the sugar industry for 10 years. He then joined GML in 1997 as Finance Manager and currently oversees the Group's financial services and business development activities including M&A, Strategic Initiatives & Integration.

Dipak Chummun
Group Chief Financial Officer

Dipak Chummun was a national laureate and went on to graduate in Computer Science from the University of Manchester. He is also an FCA of the Institute of Chartered Accountants in England and Wales (ICAEW). He has held regional and group head roles with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Hongkong, Dubai, Singapore, and Frankfurt most recently, where he was finance director for strategic financial planning at Deutsche Bank global head-quarters. He was appointed as Group CFO for IBL in January 2015. Dipak is a director of the Stock Exchange of Mauritius, the Mauritius Renewable Energy Agency, the National Committee for Corporate Governance and a former International Advisory Board Member of the ICAEW in UK.

Thierry Labat
Group Head of Corporate Services

Thierry Labat is a Chartered Secretary (FCIS) from the Institute of Chartered Secretaries and Administrators (ICSA) in UK. He started working for a large company secretarial firm in January 2001 before joining GML in September 2001 as Company Secretary where he was involved in major mergers and acquisitions. He completed an Executive Management Programme at Essec Business School in 2015. Thierry was IBL's Group Company Secretary, until his appointment as Group Head of Corporate Services of IBL Ltd on 01 July 2017. He is now responsible for the Human Capital, I.T., Communication and Legal & Corporate Affairs departments of IBL Ltd.

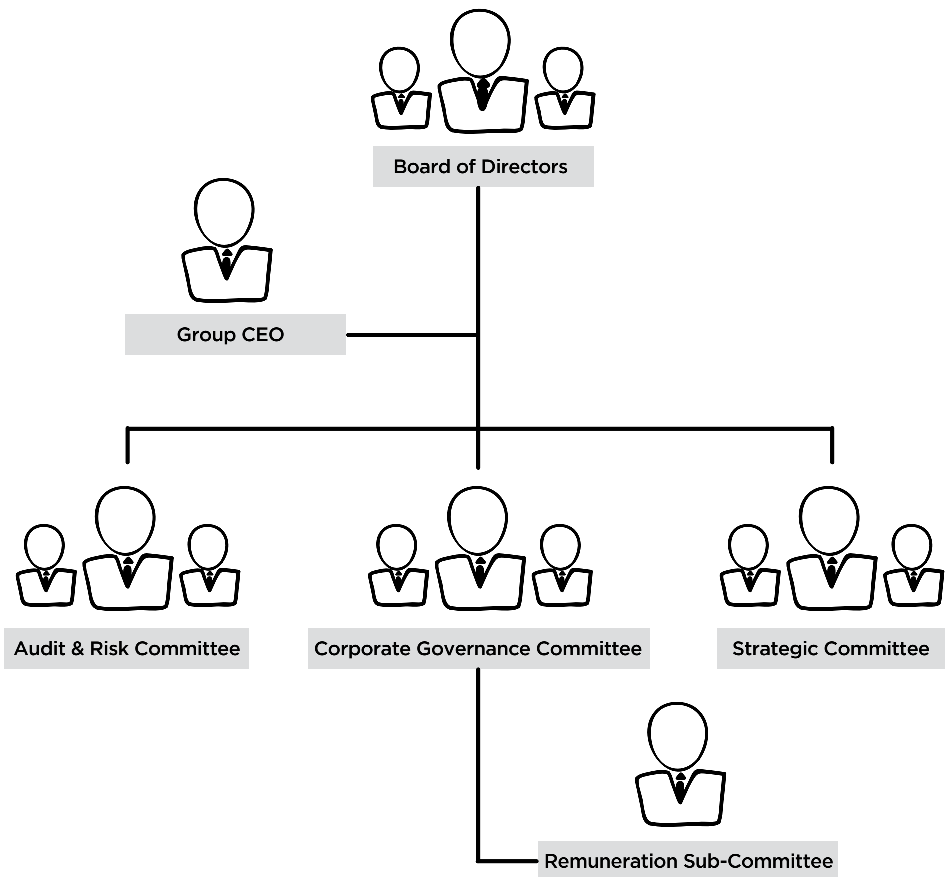
Because of IBL's market share in Mauritius and the limited scope for local expansion, certain economic sectors will need to look for growth abroad. We are in a strong position to export our know-how in the sugar, seafood, financial services, hospitality and innovation (life sciences) businesses, some of which have development ambitions that extend well beyond the Indian Ocean region.

Organisation Chart and Statement of Accountabilities

The organisation chart of IBL Ltd setting out the key senior positions as well as the reporting lines is found on page 12 of this Integrated Report.

The Board of Directors is committed to ensuring good governance practices throughout its sectors of activities in order to add sustainable value and promote a transparent dialogue with all key stakeholders. The Board sets general strategies and policies and ensures their implementation with the support of the key senior governance officers. These senior officers, whose profiles are set out above, have an experienced professional background. In addition, the Board has set up 3 specialised committees which provide advisory opinions in their own area of competence, namely the Corporate Governance Committee, the Audit & Risk Committee and the Strategic Committee.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES



The Board

IBL Ltd is led by an effective and highly committed unitary Board. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks and is collectively responsible for the long-term success of the Company. The Board of Directors is committed to the highest standards of business integrity, transparency and professionalism in all of its activities, so as to ensure the continued prosperity of the Company and the Group.

The Board of IBL Ltd is responsible for ensuring that the Company's activities are managed ethically and responsibly, in line with relevant laws and regulations, so as to protect and enhance shareholders' value. The Board is also responsible for monitoring and assessing risks to ensure that the viability of the Company is safeguarded at all times. The Board is therefore responsible for implementing formal succession planning within the Company. In addition, the Board is responsible for ensuring that internal controls, systems and reporting arrangements are in place for the effective, prudent and efficient administration of its assets and liabilities.

Profiles of Directors and details of external appointments

Jan Boullé
Non-Executive Chairman
Appointed to the Board on 01 March 2006

Jan Boullé was appointed as the Non-Executive Chairman of IBL Ltd on the 01 July 2016 and is also a member of the Board of Directors of several major companies of IBL Group. He is qualified as an « Ingénieur Statisticien Economiste » (France) and holds a « Diplôme de 3ème Cycle en Sciences Economiques » from Université Laval (Canada). Prior to this nomination, he worked for Constance Group from 1984 to 2016 and occupied various executive positions and directorships. His latest position being Group Head of Projects and Development.

Directorships in other companies listed on the Stock Exchange of Mauritius Ltd: Alteo Limited, IBL Ltd, Phoenix Beverages Limited and The Bee Equity Partners Ltd.

Martine de Fleuriot de la Colinière
Non-Executive Director
Appointed to the Board on 12 November 2016

Martine de Fleuriot de la Colinière heads the Commercial, Corporate and Banking department of ENSafrica (Mauritius), the largest law firm in Mauritius. She is a Barrister of experience and recognised as a leading lawyer by international directories such as Chambers and Partners and Legal 500. She holds a Diplôme d'Etudes Approfondies, mention Droit Privé from the Université de Droit, d'Economie & des Sciences Sociales d'Aix-Marseille III. She specialises in M&A, corporate structuring, banking and security law. Martine de Fleuriot de la Colinière regularly assists major multinationals, global elite international law firms and lending institutions in cross-border transactions, investments and joint ventures into India or Africa.

Yann Duchesne
Executive Director
Appointed to the Board on 01 July 2016

The Group Chief Executive Officer – Operations, Yann Duchesne graduated from Ecole Polytechnique, Ecole des Mines de Paris and Institut d'Etudes Politiques de Paris. He has spent 12 years as Senior Partner at the Private Equity firm Doughty Hanson in London. Prior to that, he has worked for 20 years at McKinsey where he was the Managing Partner for France. He has also extensively worked in the US, Japan and various European countries. He has wide experience in the Financial Institutions, Pharmaceuticals, Industrial and Luxury sectors. Yann Duchesne is also the author of a socio-economic book (France S.A.) and is a Knight in the French national order of the Légion d'Honneur.

Pierre Guénant
Independent Non-Executive Director
Appointed to the Board on 27 July 2015

Pierre Guénant graduated from ESCP (Ecole Supérieure de Commerce de Paris). He founded and developed the PGA Group whose turnover is €5,2 MD, employing about 11,000 people in France, Belgium, Holland and Poland. As President of PGA Holding, he is now involved in hotel industry and the wine industry as well as in investment funds. He serves as a Director in the Board of several listed companies. Pierre Guénant began his career in the Group Jacobs/Jacques Vabre and then in the Heuliez Group where he acted as Commercial Director, Plant Manager and General Manager. He is the Chairman of the Strategic Committee of IBL Ltd.

Jason Harel
Independent Non-Executive Director
Appointed to the Board on 01 July 2016

Jason Harel qualified as both a Chartered Accountant and Barrister-at-Law. He was a senior associate within the Banking and Finance department of Denton Wilde Sapte in London from 2000 to 2005 specializing in structure trade, project finance and structured workouts. Prior to this, he completed his pupilage with the UK's leading tax chambers, Gray's Inn Tax Chambers. Jason trained as a Chartered Accountant in London undergoing his training contract within the audit, tax and corporate re-structuring department of Kingston Smith. Jason is a co-founder and partner of BLC Robert & Associates which is ranked as a top tier business law firm by all leading legal directories. Jason leads the corporate and M&A practice of BLC Robert & Associates which mainly consist of acting for private equity firms investing into continental Africa with Mauritius as their structuring jurisdiction, M&A transactions mainly within the real estate and financial services sector as well as some complex re-structuring transactions.

Jean-Claude Harel
Non-Executive Director
Appointed to the Board on 29 June 1981

Jean-Claude Harel has attended and completed a 3-Year Course of Instruction of the Mauritius College of Agriculture and was awarded a Diploma in Sugar Technology in 1965.

Arnaud Lagesse
Executive Director
Appointed to the Board on 23 March 2015

The Group Chief Executive Officer of IBL Ltd, Arnaud Lagesse, started his career at GML in 1995 as Financial and Administrative Director, before being appointed Chief Executive Officer in August 2005. He holds a Masters in Management from the Université d'Aix-Marseille and graduated from the Institut Supérieur de Gestion de Paris. He has also completed a Professional Development Programme at INSEAD in Fontainebleau (France) and an Advanced Management Programme (AMP180) at Harvard Business School in Boston, USA. Arnaud Lagesse is a member of the Board of Directors of several of the major Mauritian companies listed on the Stock Exchange of Mauritius. He was President of the National Committee on Corporate Governance of Mauritius and was previously President of the Chamber of Agriculture, the Mauritius Sugar Producers' Association and the Sugar Industry Pension Fund. He has been the Chairman of Fondation Joseph Lagesse since July 2012.

Hugues Lagesse
Non-Executive Director
Appointed to the Board on 01 July 2015

Hugues Lagesse holds a Diploma in Administration and Finance from École Supérieure de Gestion in Paris. In September 2007, he followed a course on Management at INSEAD in Fontainebleau, (France) and a course in real estate development in Paris and at Harvard Business School in Boston, USA. From 2007 to 2013, Hugues Lagesse held the 'Project Executive' function at BlueLife Limited, formerly known as Indian Ocean Real Estate Company Ltd (IOREC) and since January 2014, he is the Senior Development Executive of BlueLife. Directorships in other listed companies: Phoenix Beverages Limited, Phoenix Investment Company Limited.

Jean-Pierre Lagesse
Non-Executive Director
Appointed to the Board 01 July 2015

Jean-Pierre Lagesse specialises in property investment, development, asset enhancement and portfolio management and holds a Masters in Business Administration from Cranfield School of Management. As one of the partners of 10 Ant Group since 2007, he is responsible for the purchase and redevelopment of real estate in Great Britain, where he has 24 years of experience in the sector, as well as in Europe and Africa.

Thierry Lagesse
Non-Executive Director
Appointed to the Board on 24 September 1983

Thierry Lagesse holds a Maîtrise des Sciences de Gestion from the University of Paris Dauphine. He was the Non-Executive Chairman of IBL Ltd (previously known as GML Investissement Ltée) and Ireland Blyth (amalgamated on 1 July, 2016 with GML Investissement Ltée), Alteo Limited, Phoenix Beverages Limited and The United Basalt Products Ltd up to 13 August 2013. Thierry Lagesse is a Director of several well-known companies listed on the Stock Exchange of Mauritius namely: Alteo Limited, Lux Island Resorts Ltd, Phoenix Beverages Limited, The United Basalt Products Ltd, Phoenix Investment Company Limited and The Bee Equity Partners Ltd. He is also the Executive Chairman and founder of Palmar Group of Companies and Executive Chairman of Parabole Réunion SA.

Gilles Michel
Independent Non-Executive Director
Appointed to the board on 20 June 2012

Gilles Michel was a student of Ecole Polytechnique, of Ecole Nationale de la Statistique et de l'Administration Economique (ENSAE) and of Institut d'Etudes Politiques (IEP), Paris. He started his career in 1982 at the World Bank in Washington D.C. He then joined the Management of Group Saint-Gobain in 1986 and as from 2000, held the position of Chairman of the Ceramiques & Plastiques Group. He then moved to PSA Peugeot-Citroën Group in 2002 and was successively a member of the Executive Committee of Peugeot-Citroën PSA up to 2007 and then member of the Board. In 2009, he was appointed CEO of the Fonds Stratégique d'Investissement (FSI), France. Gilles Michel then joined the Imerys Group in September 2010 and holds the position of Chairman and Chief Executive Officer. He is a member of the Board of Solvay. He is the Chairman of the Corporate Governance Committee of IBL Ltd.

Maxime Rey
Non-Executive Director
Appointed to the board on 1st July 2016

Maxime Rey qualified as an Accountant and started his career in 1973 in Mauritius in auditing before joining the Sugar Industry. He moved to South Africa in 1981 where he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992. Back in Mauritius in 1993 he joined SWAN, one of the market leaders in the local Insurance sector, becoming Senior Manager - Group Finance, Loans & Legal until he retired in 2016. He is a Director of a number of Companies listed on the Stock Exchange of Mauritius and operating in the commercial, investment, sugar and tourism sectors. He was appointed as a Director of IBL Ltd in July 2016, and is Chairman of the Audit Committee. Directorships in other listed Companies: Belle Mare Holding Ltd, Constance La Gaieté Company Ltd, Lux Island Resorts Ltd, MFD Group Ltd, Tropical Paradise Company Ltd.

Jean Ribet
Non-Executive Director
Appointed to the Board on 01 July 2016

Jean Ribet is a member of the South African Institute of Chartered Accountants and holds a Bachelor of Commerce degree from the University of Cape Town, South Africa. He joined the Constance Group as Financial Controller in 1991 and was appointed Group Chief Executive Officer in 2004 with overall responsibility for the agro-industrial, tourism and investment activities of the Constance Group. Directorships in other listed companies: Belle Mare Holding Ltd, Constance Hotels Services Ltd, Constance La Gaieté Co Ltd, Hotelest Ltd, Livestock Feed Ltd.

San T. Singaravelloo
Independent Non-Executive Director
Appointed to the Board on 25 September 2017

San is a graduate of economics, statistics, operations research and actuarial science. She is a fellow of the Institute and Faculty of Actuaries (UK) and has close to 20 years of international experience in Mauritius, South Africa, UK and Netherlands. San has worked for major regional and international companies including Old Mutual, Hymans Robertson Actuaries and Consultants, PwC, ABN Amro and Aon and has also worked for the UK Pension Regulator. San is currently the Head of Aon's Africa Unit for Global Benefits. Her experience spans an array of disciplines and in particular, pension, healthcare, life insurance and general insurance. San has been involved in large cross-border projects in the field of pension and covering more than 20 countries, where her involvement was particularly on aspects of corporate and trustee consulting and mergers and acquisitions. Her insurance experience includes balance sheet management, strategy review, reinsurance management, cell captive insurance, product and business development in growth markets. San has previously served on the Board of cell captive insurance and Reinsurance Company in the Mauritian offshore, and is currently an Independent and Non-Executive Director on the Board of Anglo African, an ICT start-up based in Mauritius and parts of Africa. She also sits on the Audit and Risk committee of Anglo African.

Stéphane Lagesse
Alternate Director to Thierry Lagesse
Appointed to the Board on 01 July 2016

Stéphane Lagesse holds a degree in Gestion des Entreprises from Paris IX Dauphine. He joined the Palmar Group in 1983 where he currently holds the position of Chief Executive Officer. He participated in the setting up of two garment manufacturing companies in Mauritius. Directorships in other listed companies: United Basalt Products Ltd and Lux Island Resorts Ltd.

Note: The directorships in other companies have been further disclosed in S. 221 of the Companies Act 2001 – Statutory Disclosures, which follows the corporate governance report.

Key roles and responsibilities

The Board of IBL Ltd operates under the direction of the Chairman, Jan Boullé. There is a clear division of responsibility between the Chairman and the Group CEO, Arnaud Lagesse. Whilst the Chairman has overall responsibility for leading the Board and ensuring its effectiveness, the Group CEO is responsible for managing and leading the business of the Company.

Chairman Jan Boullé (C) (R) As Chairman, Jan Boullé provides overall leadership without limiting individual responsibility for decisions taken collectively by the Board. He also ensures the smooth functioning of the Board in the interests of good governance whilst encouraging the active participation of each Director in discussions and Board matters.	***Executive Directors*** Arnaud Lagesse: Group CEO (C) (R) Yann Duchesne: Group CEO-Operations (NC) (R) The Group CEO, with the collaboration of the Group CEO-Operations, is responsible for the day-to-day running of the Company's operations. He leads and directs senior management to implement the strategy and policies set by the Board.
Non-Executive Directors Martine de Fleuriot de la Colinière (C) (R) Jean-Claude Harel (C) (R) Hugues Lagesse (C) (R) Jean-Pierre Lagesse (C) (NR) Thierry Lagesse (C) (R) Maxime Rey (C) (R) Jean Ribet (C) (R) The Non-Executive Directors constructively challenge the Executive Directors. They monitor the delivery of the agreed strategy within the risk and control framework set by the Board.	***Independent Directors*** Pierre Guénant (NC) (NR) Jason Harel (C) (R) Gilles Michel (NC) (NR) San T. Singaravelloo (C) (R) Similarly to the Non-Executive Directors, the Independent Directors constructively challenge the Executive Directors. They monitor the delivery of the agreed strategy within the risk and control framework set by the Board.
Alternate Director Stéphane Lagesse (C) (R) Alternate Director to Thierry Lagesse.	
Company Secretary IBL Management Ltd per Doris Dardanne, FCIS (C) (R) IBL Management Ltd provides assistance and information on governance and corporate administration issues. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable laws and regulations are complied with. It also has primary responsibility for guiding the Board with regard to their duties and responsibilities. The Company Secretary is also responsible for taking accurate and precise Board minutes which are then submitted for approval at the following meeting. The Company Secretary also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of the Board Committee in question or not.	
KEY *(C) – Citizen of Mauritius* *(R) – Resident of Mauritius* *(NC) – Non-citizen* *(NR) – Non-resident*	

Balance and diversity

The Board of IBL Ltd believes that, based on its size, geographical spread of operations and its multiple operations, it possesses the right balance. The current Directors possess the appropriate skills, knowledge, independence and experience in core and other business sectors and for both local and international markets, to enable them to discharge their duties and responsibilities effectively. The Board is of the view that its current size and composition allows it to meet its business requirements and diversity is further enhanced by the non-resident Directors.

Board meetings and activities in 2016-2017

The Board of Directors meets at least 4 times a year. Additional Board meetings are convened when required.

The Chairman ensures that Board meetings are properly conducted and structured to facilitate discussions amongst the members. All Directors are provided with complete, adequate and timely information prior to meetings to enable them to fulfil their duties properly.

A quorum of 50% of the number of Directors is required to hold a Board meeting and Board decisions require a majority vote in order to be adopted. External auditors are invited to meetings where audited accounts are examined. Consultants and members of management may also be invited to attend Board meetings.

Agenda Setting Process

Planning for Board Meetings for the ensuing year is set by the Group Corporate Secretary

Draft agendas for the Board are finalised by the CEO and the Chairman

Agendas are finalised at least one week before the scheduled date of the meeting

During the year under review, the Board of Directors met seven times. Some of the matters discussed during the year are set out below. Decisions were also taken by way of written resolutions signed by all the Directors.

Matters considered by the Board in 2016-2017

Regular matters	Other matters
The review of the activities of the various clusters of IBL	Presentation on the activities of IBL per sector and review of IBL's support services
The review of the investments of IBL	The approval of IBL's Vision, Mission and Values
The annual audited financial statements for the year ended 30 June 2016	The approval of the Board Charter and Directors' Charter and Terms of Reference of the Board Committees
The abridged audited annual financial statements for the first, second and third quarters	The report presented by McKinsey, the Consultants appointed by the Board for a strategic review of the Group
Declaration of Dividends	The corporate governance report 2016
Review processes and procedures to ensure the effectiveness of the Group's internal control systems	The approval of a Multicurrency Medium term secured and unsecured note programme of up to MUR 10bn
Approval of all Public Communiqués as required by Regulators	

Attendance at Board Meetings in 2016-2017

Directors	04/07/2016 13/02/2017	22/07/2016 11/05/2017	03/10/2016 21/06/2017	11/11/2016	Total No. of meetings attended
Jan Boullé	✓ ✓	✓ ✓	✓ ✓	✓	7
Martine de Fleuriot de la Colinière[1]	n/a ✓	n/a ✓	n/a ✓	n/a	3
Yann Duchesne	✓ ✓	✗ ✓	✓ ✓	✓	6
Pierre Guénant	✓ ✓	✓ ✗	✗ ✓	✗	4
Jason Harel	✓ ✓	✓ ✗	✓ ✗	✓	5
Jean-Claude Harel	✓ ✓	✓ ✓	✓ ✓	✓	7
Arnaud Lagesse	✓ ✓	✓ ✓	✓ ✓	✓	7
Hugues Lagesse	✓ ✓	✓ ✓	✓ ✓	✓	7
Jean-Pierre Lagesse	✓ ✓	✓ ✓	✓ ✗	✓	6
Thierry Lagesse	✓ ✓	✗ ✓	✓ ✓	✓	6
Gilles Michel	✓ ✓	✓ ✓	✓ ✓	✗	6
Maxime Rey	✓ ✓	✓ ✓	✗ ✓	✓	6
Jean Ribet	✓ ✓	✓ ✓	✓ ✓	✓	7
Anne Rogers[2]	✗ n/a	✗ n/a	✓ n/a	✓	2
Stéphane Lagesse (Alternate)		✓			1

1 Appointed on 12 November 2016
2 Resigned on 12 November 2016

BOARD COMMITTEES

The Board of Directors, for assistance in its functions, is supported by the three main sub-Committees: namely, Audit and Risk, Corporate Governance and Strategic, which make recommendations on matters delegated to them under their respective Charters. The various Committees are chaired by experienced Chairpersons who then report to the Board on the activities of the Committees at each Board meeting. In order to fulfil the duties and responsibilities vested in them by the Board, the Committee is authorised to obtain independent professional advice at the Company's expense.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities and is responsible for any other functions as may be designated by the Board. The Audit and Risk Committee is further detailed in the Section "Audit" of this report.

Corporate Governance Committee

The Corporate Governance Committee has been set up in order to advise the Board on matters pertaining to corporate governance and to ensure that the principles of the Code of Corporate Governance are applied. This Committee also acts as Nomination & Remuneration Committee.

The Corporate Governance Committee Charter which has been approved by the Board of Directors on 11 November 2016 is also available on the website of IBL Ltd on www.iblgroup.com.

Composition

The Committee is chaired by Gilles Michel, an Independent Non-Executive Director. The other members of the Committee are Jan Boullé, Thierry Lagesse and Jean Ribet who are Non-Executive Directors and Arnaud Lagesse, Executive Director.

Annual effectiveness review

The Corporate Governance Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Matters considered by the Committee in 2016-2017

During the year under review, the Corporate Governance Committee met 4 times. Matters discussed included:

Matters considered:
Approval of the Charter of the Corporate Governance Committee
Review and recommendation of the Vision, Mission and Values of IBL.
Review of the Code of Ethics
Review of Directors' Fees for Board and Committees
Review and recommendation of Remuneration of Group CEO
Made recommendations on the remuneration of the Chairman
Made recommendations on the representatives of IBL on various Boards of the Group
Made recommendations on the setting up of a Remuneration Sub-Committee
Considered and made recommendation on a political donation

Committee attendance

Attendance at Corporate Governance Meetings in 2016-2017					
	12/07/2016	28/10/2016	06/02/2017	18/04/2017	Total No. of meetings attended
Gilles Michel	✓	✓	✓	✓	4
Jan Boullé	✕	✓	✓	✓	3
Arnaud Lagesse	✕	✓	✓	✓	3
Thierry Lagesse	✕	✕	✕	✕	0
Jean Ribet	✓	✓	✓	✓	4

The fees payable to the members of the Corporate Governance Committee are set out in the section "Remuneration Policy" of this report.

Remuneration Sub-Committee

The Corporate Governance Committee has delegated the functions of remuneration to a sub-committee hereinafter referred to as Remuneration Sub-Committee.

Composition

Contrary to the Corporate Governance Committee who is chaired by Gilles Michel, an Independent Non-Executive Director, the Remuneration Sub-Committee is chaired by Marc Freismuth who is neither an Independent Non-Executive Director nor a Board member. The Board of IBL is of the view that Marc Freismuth possesses the relevant expertise and knowledge of the Mauritian context as regards remuneration practices. Marc Freismuth was the former Chairman of IBL Management Ltd (ex-GML Management Ltée).

The other members of the Committee are Jean Ribet and Jan Boullé who are Non-Executive Directors.

Matters considered by the Committee in 2016-2017

During the year under review, the Remuneration Sub-Committee met 4 times. Matters discussed included:

Matters considered:
The review of the remuneration framework of the Senior Managers and Executive Directors.
The review of salaries and performance bonus of IBL employees.

Committee attendance

Attendance at Remuneration Sub-Committee Meetings in 2016-2017					
	29/11/2016	26/01/2017	09/03/2017	28/03/2017	Total No. of meetings attended
Marc Freismuth	✓	✓	✓	✓	4
Jan Boullé	✓	✓	✓	✓	4
Jean Ribet	✓	✓	✓	✓	4

The fees payable to the members of the sub-committee are set out in the section on "Remuneration Policy".

Strategic Committee

The Strategic Committee was established for the purpose of advising the Board with respect to the Company's strategy. This Committee also assists the Board in analysing, negotiating and making reports and recommendations regarding potential strategic transactions involving the Company.

The Strategic Committee Charter has been approved by the Board of Directors and is made available on the website of IBL Ltd on www.iblgroup.com.

Composition

The Committee is chaired by Pierre Guénant, an Independent Non-Executive Director. The other members of the Committee are Gilles Michel, Independent Non-Executive Director, Jan Boullé, Thierry Lagesse and Jean Ribet, Non-Executive Directors, Arnaud Lagesse and Yann Duchesne, Executive Directors.

Annual effectiveness review

The Strategic Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively.

Matters considered by the Committee in 2016-2017

During the year under review, the Strategic Committee met 8 times and the following matters were discussed:

Matters considered:
Review of the interim reports of McKinsey
Setting up of a Property cluster for IBL
Mergers, acquisitions and investments

Committee attendance

Attendance at Strategic Committee Meetings in 2016-2017					
	24/08/2016 27/03/2017	07/10/2016 24/04/2017	21/12/2016 24/05/2017	01/03/2017 12/06/2017	Total No. of meetings attended
Pierre Guénant	✓ ✓	✓ ✓	✓ ✓	✓ ✓	8
Gilles Michel	✓ ✓	✓ ✓	✓ ✓	✓ ✕	7
Jan Boullé	✓ ✓	✓ ✓	✓ ✓	✓ ✓	8
Arnaud Lagesse	✓ ✓	✓ ✓	✓ ✓	✓ ✓	8
Thierry Lagesse	✕ ✓	✓ ✓	✓ ✓	✓ ✓	7
Yann Duchesne	✓ ✓	✓ ✓	✕ ✓	✓ ✓	7
Jean Ribet	✓ ✓	✓ ✓	✓ ✓	✓ ✓	8

The fees payable to the members of the Committee are set out in the section on "Remuneration Policy".

DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

The Board, through the Corporate Governance Committee and in its role as a Nomination Committee, follows a rigorous, formal and transparent procedure to select and appoint new Directors. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendation to the Board, either to fill a casual vacancy or to appoint additional Directors to add to the existing Directors and shall not exceed 14 as per the Constitution of the Company.

Newly appointed Directors are subject to election in their first year of appointment by the shareholders of the Company at its Annual Meeting. As a listed entity, IBL Ltd is required to submit to the Regulators all documents pertaining to a newly appointed Director.

Once appointed, and in accordance with the Constitution of the Company, the Directors must stand for re-election at the Annual Meeting of the Company every 3 years. In accordance with the Mauritius Companies Act 2001 and the Constitution of the Company, Directors aged 70 and above are subject to annual re-appointment. Directors retiring by rotation may be re-appointed at the Annual Meeting, except for those Directors aged 75 and over, who are not eligible for re-appointment in accordance with the Constitution of IBL Ltd.

At the forthcoming Annual Meeting of the Company, scheduled for 6 December 2017, upon the recommendation of the Corporate Governance Committee, the following shall be proposed to the shareholders:

a) The appointment of Ms. T. San Singaravelloo who has been nominated by the Board of Directors and who offers herself for election; and
b) The re-election of Jean-Claude Harel under Section 138(6) of the Mauritius Companies Act 2001.

Board induction

The Company Secretary assists the Chairman in ensuring that an induction programme is in place for all new Directors to enable them to develop a good understanding of the Company and the Group.

The induction programme consists of:

- One to one briefings with Chairman, Group CEO and Group CEO – Operations
- One to one briefing with Company Secretary
- Detailed briefings with CEO's of Clusters, Senior Executives and Group Heads
- Site visits

Additionally, as per the Governance Charter, each newly appointed Director receives an induction pack containing documents pertaining to his or her role, duties and responsibilities.

Professional development and training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices and professional development programmes are organised by the Company. In June 2017, a half-day workshop on the new Code of Corporate Governance was organised by the Company in collaboration with the Mauritius Institute of Directors. This half-day session enabled the Directors to familiarise themselves with the contents of the new Code and its implications.

Time commitments

The Board of IBL Ltd does not believe that its members should be prohibited from serving on boards of other organisations unless the number of directorships limits the amount of time they are able to dedicate to being a Director of the Company. However, the Executive Directors are not authorised to hold more than two directorships outside the Group, including in companies outside the Mauritian jurisdiction.

The Board of IBL Ltd must give its approval prior to an Executive Director accepting a seat on the board of any other company outside of the IBL Group. Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of IBL Ltd.

Succession plan

The Board of Directors of IBL Ltd believes that good succession planning contributes further to the delivery of the Group's strategy by ensuring the desired mix of skills and experience of current and future Board members. The Board is also committed to recognising and nurturing talent within executive and management levels across the Group to ensure that the Group creates opportunities to develop current and future leaders.

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties

Directors are aware of their legal duties. Once appointed on the Board, the Director receives the following documents pertaining to his/her duties and responsibilities:

- Directors' Code of Conduct
- Governance Charter
- Charter of Values and Ethics
- The Constitution
- Salient features of the Listing Rules and the Securities Act

Interests Register, conflicts of interest and related party transactions policy

The Directors' Code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Information, information technology and information security governance

The Board is responsible for information governance within IBL Ltd and the management of information technology and information security governance are delegated to the IT function.

Following the amalgamation of ex-Ireland Blyth Limited and ex-GML Investissement Ltée, the existing policies are being reviewed. In the same breath, an IT Governance Model for the Company is currently being developed. A list of the existing policies is detailed below.

- **Acceptable use policy**: The purpose of this policy is to ensure that employees, contractors and third parties are aware of the appropriate and acceptable use of assets.

- **E-mail acceptable use policy**: The objective of this policy is to outline appropriate and inappropriate use of e-mail systems and services in order to minimize disruptions to services and activities, as well as comply with applicable policies and laws.

- **Internet acceptable use policy**: The objective of this policy is to outline appropriate and inappropriate use of Internet resources, including the World Wide Web, electronic mail, the intranet, FTP (file transfer protocol) and USENET.

- **System administrator policy**: The purpose of this policy is to establish the expectations for employees who have administrative and privileged access rights to the Company's IT systems and confidential Information.

- **Remote access policy**: The purpose of this policy is to define standards for connecting to IBL Group's network from any host outside of the Group's boundaries. The standards detailed below are designed to minimize the potential exposure to IBL from damages which may result from unauthorized use of IBL Group resources. Damages include the loss of sensitive or company confidential data, intellectual property, damage to public image, damage to critical IBL internal systems, and fines or other financial liabilities incurred as a result of those losses.

- **Teleworking policy**: The purpose of this policy is to ensure that security of information and systems, accessed through teleworking is given due importance. It is essential that staff have the knowledge that security procedures and policies exist and they are understood and adhered to. Information that is related to and can identify an individual is personal data and protected by the principles of the Data Protection Regulations 2009. As such, appropriate technical and organisational measures shall be taken against accidental or deliberate loss, change, destruction of, or damage to personal data. These procedures have been produced to ensure that protection of personal and corporate data is maintained whilst remote working.

- **Logical Access Policy**: The objective of this policy is to limit access to information, information processing facilities and business processes within IBL Group.

- **Malicious and Mobile Code Policy**: The objective of this policy is to protect the integrity of software and information. The purpose of this policy is to provide instructions on measures that must be taken by employees to help achieve effective malware detection and prevention.

- **Information Security Policy**: The objective of this policy is:
  - To ensure the business continuity of IBL Ltd by protecting its information assets from all threats, whether internal or external, deliberate, environmental or accidental;
  - To minimise the risk of damage by preventing security incidents and reducing their potential impact.

- **Media handling policy**: The objective of this policy is to ensure that media are controlled and physically protected, to prevent unauthorized disclosure, modification, removal or destruction of information stored on media and consequent interruption of business activities.

- **Back-up policy**: The objective of this policy is to protect against loss of data, maintain the integrity and availability of information and information processing facilities by taking and testing regularly back-up copies of information and software.

- **Network security policy**: The objective of this policy is to ensure the protection of information in networks and the protection of the supporting infrastructure.

- **Password policy**: The objective of this policy is to set a standard for creating, protecting and changing passwords in order to ensure that they are strong, secure and protected.

- **Information Security Incident Management Policy**: The objective of this policy is to ensure that information security events and weaknesses associated with information systems are communicated in a manner allowing timely corrective action to be taken. It also ensures that a consistent and effective approach is applied to the management of information security incidents.

- **Compliance Policy**: The objective of the Compliance Policy is to avoid breaches of any law, statutory, regulatory or contractual obligations and of any security requirements. It is also to ensure compliance of systems with organisational security policies and standards.

- **Laptop Policy**: The purpose of this policy is to provide guidance in order to minimize information security risks that may affect laptops.

- **BYOD Policy**: The purpose of this policy is to set out the controls that must be in place when using mobile devices that are not owned or provided by the organisation but used for business purposes.

- **IT Business Continuity Policy**: The objective of this policy is to ensure that an IT Business Continuity Plan is developed, documented, continuously tested, reviewed and updated in order to enable the IBL Group to recover as quickly and effectively as possible from any unforeseen disaster or emergency with minimised business interruptions.

Remuneration policy

In accordance with the Constitution of the Company, and with the exception of Executive Directors, fees are paid to Directors for holding office. No pre-determined criteria have been established with regard to remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required.

Directors' fees consist of a fixed fee and an attendance fee per Board meeting. Any changes to Directors' remuneration are submitted to the shareholders of the Company for approval at the Annual Meeting of shareholders. Directors, who are also Board committee members, receive a fixed fee to fulfil this additional duty while the Chairman of these Board committees receives a higher remuneration fee.

The Corporate Governance Committee has set up a sub-committee to review the remuneration of staff members, managers and senior management.

A remuneration framework has been established to ensure that individual and joint contributions to the Group's results are properly rewarded. This framework provides a benchmark for salaries based on general market practices and includes guidelines for the retention of key talent.

The Board and Committees' fees as ratified by the shareholders of IBL Ltd at its last Annual Meeting of shareholders are as follows:

Board	Fees (MUR)	Attendance fee per meeting (MUR)
Chairmanship fee	6,000,000	-
Independent Director's annual fee	400,000	40,000
Non-Executive Director's annual fee	200,000	40,000
Corporate Governance Committee		
Chairman's annual fee	55,000	15,000
Member's annual Fee	35,000	5,000
Audit & Risk Committee		
Chairman's annual fee	90,000	15,000
Member's annual fee	60,000	10,000
Strategic Committee		
Chairman's annual fee	60,000	10,000
Member's annual fee	30,000	5,000

The following table depicts the fees paid to the Non-Executive Directors for attending Board and Committees during the year under review.

Directors	Board Fees (MUR)	Audit Committee Fees (MUR)	Strategic Committee Fees (MUR)	Corporate Governance Fees (MUR)	Total Fees (MUR)
Jan Boullé	-	-	-	-	4,500,000
Martine de Fleuriot de la Colinière	245,000	-	-	-	245,000
Yann Duchesne	-	-	-	-	-
Pierre Guénant	560,000	-	140,000	-	700,000
Jason Harel	600,000	80,000	-	-	680,000
Jean-Claude Harel	480,000	-	-	-	480,000
Arnaud Lagesse	-	-	-	-	-
Hugues Lagesse	480,000	-	-	-	480,000
Jean-Pierre Lagesse	-	-	-	-	-
Thierry Lagesse	480,000	80,000	65,000	35,000	660,000
Gilles Michel	640,000	-	65,000	115,000	820,000
Maxime Rey	440,000	150,000	-	-	590,000
Jean Ribet	480,000	-	70,000	55,000	605,000
Anne Rogers	155,000	-	-	-	155,000

Notes:

- The above fees include both the annual fees and the attendance fees.
- Jan Boullé is a full-time Non-Executive Chairman of the Group and is paid an annual fee of MUR 6 M. He did not receive any attendance fees or committee fees and no fees are paid to him for attending meetings of subsidiary or associate companies of the Group. However, during the year under review, he was paid an amount of MUR 4.5 M given that he took up his function as a full-time Chairperson only as from the 1st of January 2017.
- Arnaud Lagesse and Yann Duchesne are Executive Directors and do not perceive any fees for attending Board and Committee meetings nor perceive fees for attending meetings of subsidiary or associate companies of the Group.
- Jean-Pierre Lagesse did not receive any fees for attending Board meetings.
- Martine de Fleuriot de la Colinière was appointed as Director on 12 November 2016 and fees were paid to her on a pro-rata basis.
- Anne Rogers resigned as Director on 12 November 2016 and fees were paid to her on a pro-rata basis.

Remuneration and benefits paid to Executive Directors of IBL Ltd

	Total Fees (MUR)
Executive Directors	38,863,561

Note:

- For reasons of confidentiality and due to commercial sensitivity of such information, total remuneration has been disclosed by category.

The Corporate Governance Committee of IBL Ltd has also approved the following schedule of fees for Marc Freismuth, the Chairman of the Remuneration Sub-committee, as follows: an annual fixed fee of MUR 150,000 and an attendance fee of MUR 10,000 per meeting. Details of the fees paid to the members of the Remuneration Sub-committee is set out below:

Members	Annual Fixed Fee (MUR)	Attendance Fee (MUR)	Total Fees (MUR)
Marc Freismuth	150,000	40,000	190,000
Jan Boullé	-	-	-
Jean Ribet	-	-	-

Long-term incentive plan

IBL Ltd does not have a long-term incentive plan for the time being. However such a plan is under consideration by the Corporate Governance Committee.

Board evaluation

The previous Board evaluation was carried out in the year 2015-2016. According to the Governance Charter of IBL Ltd, an evaluation of individual Directors, the Committees and the Board as a whole, is to be done every two years. The next exercise will be undertaken in the course of the year 2017-2018.

RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite of IBL Ltd remain the ultimate responsibility of the Board.

The responsibility of the Board also includes:

- Ensuring that structures and processes are in place for management of risks
- Identifying the principal risks and uncertainties
- Ensuring that management has developed and implemented the relevant framework
- Ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls
- Identifying any deficiency in the system of internal control
- Ensuring that whistle-blowing rules and procedures are in place

A detailed report on risks inherent to each business cluster of IBL is found under the relevant reports of each cluster in the Integrated Report.

REPORTING WITH INTEGRITY

The Directors are responsible for preparing the Integrated Report and financial statements in accordance with applicable law and regulations. Company law further requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy at any time, the financial position of the Company and the Group. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additional information regarding IBL's financial, environmental and performance outlook is set out in the Integrated Report.

AUDIT

Audit and Risk Committee

The mission of the Audit and Risk Committee is to establish formal and transparent arrangements regarding how to apply financial reporting and internal control principles and to maintain an appropriate relationship with the Company's auditors.

Composition

The Committee is chaired by Maxime Rey, a Non-Independent Director. Whilst the Code recommends that this Committee be chaired by an Independent Non-Executive Director, the Board of IBL believes that Maxime Rey has the relevant qualifications, experience and expertise. However, the Board of IBL is in the process of seeking an Independent Director with the right profile to chair this Committee. The other members of the Committee are Jason Harel and Thierry Lagesse who are Non-Executive Directors and who have the required financial literacy and expertise. The Group CEO, the Group CEO-Operations and the Group CFO are also invited to attend the Committee.

Annual effectiveness review

The Audit and Risk Committee confirms that, for the year under review, it has met its key objectives and carried out its responsibilities effectively in accordance with its Charter.

Matters considered by the Committee in 2016-2017

During the year under review, the Audit Committee has continued to focus on its key objectives; namely overseeing financial reporting, internal controls, internal and external audit. The Committee met 4 times and the following matters were discussed:

Matters considered by the Committee in 2016-2017

Regular matters	Other matters
The review and recommendation to the Board of Directors for approval the abridged financial statements for the first, second, third and final quarter.	Process for rotation of external Auditors.
The review of the annual financial statements for the year ended 30 June 2016 and their recommendation to the Board of Directors for approval.	Extension of contract for outsourcing of internal audit services provided by EY.
The various audit reports submitted by EY, the internal auditors.	

Committee attendance

Attendance at Audit & Risk Committee Meetings in 2016-2017	22/07/2016	03/11/2016	07/02/2017	08/05/2017	Total No. of meetings attended
Maxime Rey	✓	✓	✓	✓	4
Thierry Lagesse	×	×	✓	✓	2
Jason Harel	✓	✓	×	✓	3

Internal audit

Internal audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance. The function provides the Board with a report of its findings and recommendations for each audit it performs, as well as the comments of the management of the audited entity which, along with other sources of assurance, is used by the Board in making its assessment of the Group's system of internal controls and risk management.

IBL Ltd has outsourced the internal audit function of the Company and its operations to EY. Internal audit operates within defined authority granted to it by the Audit and Risk Committee and the Board, and reports to the Committee with notification to the Group Chief Finance Officer. The EY internal audit team reports to the Group Chief Finance Officer on day-to-day matters and to the Chairperson of the Committee.

Annual audit plans are presented in advance to the Committee and are based on an assessment of risk areas performed by the EY internal audit team based on its discussions with the leaders of the Group and its own independent appreciation of the key risks the Group and its components are exposed to. The internal audit plan typically assesses the effectiveness of controls that address high risk areas that lend themselves to audits within business units that are deemed significant from a revenue, employee headcount and/or impact on the local economy perspective. The following are examples of such risk areas:

Type	Risks
Financial	• The risk that debtors cannot be recovered resulting in write offs; and • The risk that business decisions are based on inaccurate financial data.
Operational	• The risk of over-reliance on key staff which may result in disruptions in operations should such staff depart; and • The risk that the security of IT systems is breached leading to disruptions in operations and reputation damage.
Compliance	• The risk of non-compliance to regulatory framework in sectors like the insurance, leasing and offshore sectors resulting in reputation damage and fines; and • The risk that data privacy related regulation is not complied with resulting in dissatisfaction of the owners of the data and reputation damage.

The internal audit plan does not assess the effectiveness of controls that address high risk areas that do not lend themselves to audits. These are typically risks that the Group has little direct influence on or form part of the inherent nature of the business activities of the Group. The following are examples of such risks areas:

Type	Risks
Strategic	• The risk of political instability in countries in which IBL operates in or trades with, resulting in an adverse impact on financial results and asset values.
Financial	• The risk of fluctuations in the exchange rate of currencies that businesses trade in, resulting in erosion of revenue and/or profits; and • The risk of fluctuations in the interest rates that businesses borrow at, resulting in erosion of profits.
Operational	• The risk that sought after personnel profiles and skills are not readily available in the markets the Group operates in, resulting in constraints to growth.
Compliance	• The risk of changes in regulations that adversely impact the business activities of the Group.

The internal audit team attends and presents its findings to the Committee. Management is responsible for acting on the findings of internal audit and implementing remedial action to correct identified control weaknesses. Internal audit reviews management's actions on the findings and reports back on the effectiveness of the response. The internal audit process and management's response to the findings thereby contribute to a continuous improvement culture in the Group's risk management approach.

The internal audit team maintains its independence through its internal policies and procedures designed to manage its professional competence, independence, impartiality and objectivity. The independence of the internal audit team is also governed by the terms of its engagement letter with the Group.

The EY internal audit team has unfettered access to the Committee's Chairperson, the Group CFO and the records of the various business units it audits as required, subject to controls in place to ensure compliance to Data Privacy related regulation.

The EY internal audit team is led by an engagement partner and manager, both of which are University Degree Holders and Chartered Accountants and Associate Members of the Institute of Chartered Accountants in England and Wales. The engagement partner is a Certified Internal Auditor of the Institute of Internal Auditors.

External audit

For the last 10 years, Deloitte have been the external auditors of both Ireland Blyth Limited and GML Investissement Ltée before the amalgamation of these two companies in July 2016. However to ensure independence of the Auditor, a rotation of the Audit Partner was done regularly.

Following the amalgamation and the listing of IBL Ltd on the Stock Exchange in July 2016, the mandate of Deloitte has been renewed.

Following the enactment of the Finance Act 2016 and a subsequent regulation Government Notice No 64 of 2017, listed companies are required to rotate their auditors every seven years. By virtue of the Regulation aforementioned, current auditors are allowed to continue in office until the financial year ending 30 June 2020. However, IBL Ltd will undertake to rotate its auditors for the financial year ending 30 June 2019. In this respect, a tender exercise shall be launched in December 2017.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

IBL's key stakeholders

The diagram illustrates the key stakeholders of IBL.

The interaction between IBL and its stakeholders is set out in its Governance Charter. In addition, the vision of IBL "Creating a brighter future for all" encompasses all stakeholders. Through its values, IBL engages itself fully towards meeting its different stakeholders' expectations/needs. IBL's Vision, Mission and Values are set in greater detail on page 43 of this report.

IBL's relevant stakeholders are kept informed of developments on a regular basis through:

- Annual Meeting of shareholders
- Analysts Meeting
- Press Releases
- Public Communiqués
- Suppliers/Clients by each cluster
- Employees through the Human Capital function

Letter to Shareholders

A letter from the Chairman addressed to the Shareholders is annexed to the Integrated Report. This letter provides detailed information on the proceedings for the forthcoming Annual Meeting of shareholders.

Shareholding Profile

The stated capital of the Company is made up of 680,224,040 ordinary shares and 1,510,666,650 Restricted Redeemable shares.

Substantial Shareholders

A substantial shareholder is defined as a person in Mauritius or elsewhere who holds by him/ herself or him/her nominee, a share or an interest in a share which entitles him/her to exercise not less than 5% of the aggregate voting power exercisable at a shareholders' meeting.

Ordinary Shares

The table below highlights the shareholders of IBL holding 5% or more of the Ordinary Shares as at 30 June 2017.

Name of shareholder	Percentage holding (%)
Espérance et Compagnie Ltée	10.83
Société Portland	7.38
Swan Life Ltd	7.02
Belle Mare Holding Limited	5.52

Breakdown of share ownership

Share Ownership Analysis as at 30 June 2017

Size of shareholding	Number of shareholders	Number of shares owned	% Holding
1 - 500 shares	6,547	1,154,693	0.1698
501 - 1,000 shares	1,115	925,956	0.1361
1,001 - 5,000 shares	2,775	8,393,164	1.2339
5,001 - 10,000 shares	1,213	8,028,672	1.1803
10,001 - 50,000 shares	585	11,673,579	1.7161
50,001 - 100,000 shares	98	6,918,254	1.0171
Above 100,000 shares	125	643,129,722	94.5467
TOTAL	**12,458**	**680,224,040**	**100.0000**

Category	Number of shareholders	Number of shares owned	% Holding
Individuals	11,870	245,563,594	36.1004
Insurance and Assurance companies	19	53,306,172	7.8366
Investment and Trust companies	36	43,934,887	6.4589
Pensions and Provident funds	57	21,986,593	3.2323
Other Corporate Bodies	476	315,432,794	46.3719
TOTAL	**12,458**	**680,224,040**	**100.0000**

Note: The above number of shareholders is indicative, due to consolidation of multi-portfolios for reporting purposes. The total number of active ordinary shareholders as at 30 June 2017 was 12,578.

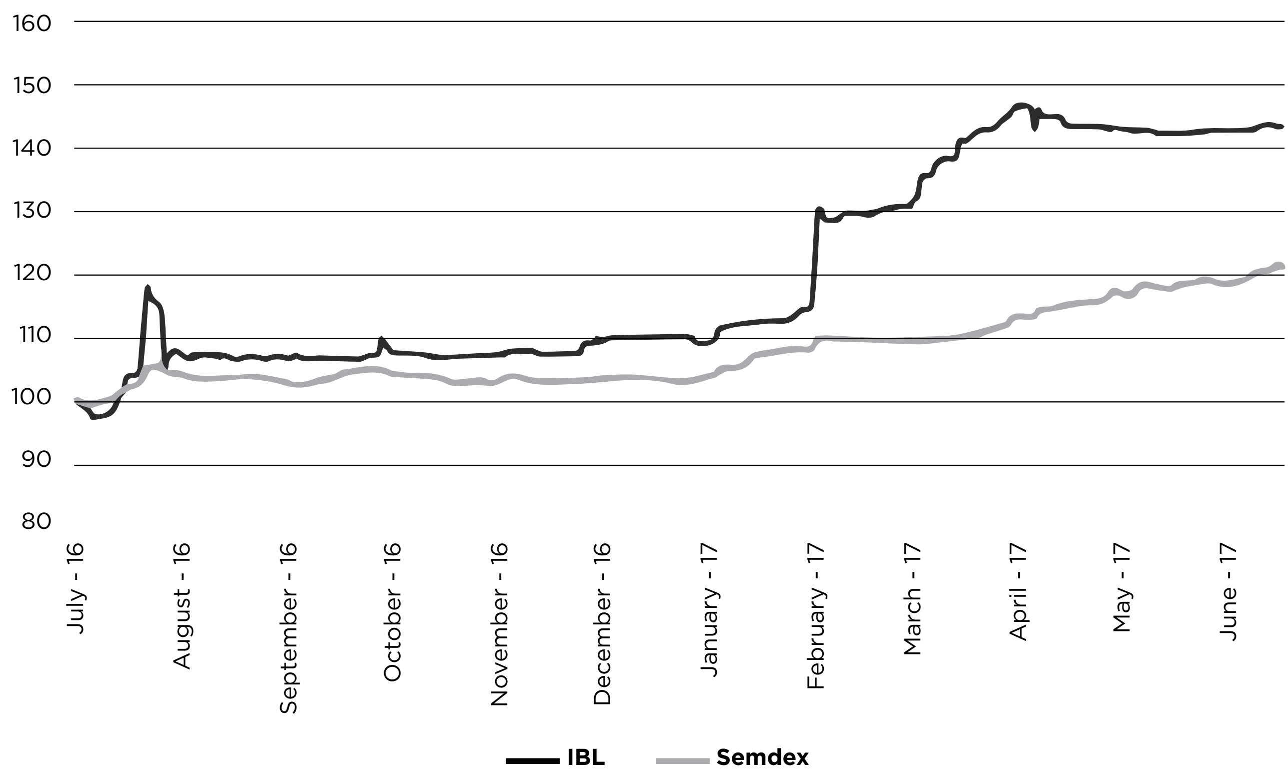
Restricted Redeemable Shares

GML Ltée is the holder of 1,510,666,650 restricted redeemable shares ("RRS"), representing 68.95% of the voting rights. Each RRS confers the right to vote at general meetings and the right to participate in a rights issue together with the holders of ordinary shares. The RRS holders have no right to dividend or distribution as well as any surplus of the Company in case of winding up.

The table below illustrates the comparison between voting rights and rights to distribution:

	Dividends/Distribution %	Voting Rights %
Ordinary Shares		
Espérance et Compagnie Ltée	10.83	3.36
Société Portland	7.38	2.29
Swan Life Ltd	7.02	2.18
Belle Mare Holding Limited	5.52	1.71
Other Shareholders	69.25	21.50
	100.00	31.05
Restricted Redeemable Shares (RRS)		
GML Ltee	0.00	68.95
	100.00	**100.00**

Share performance vs market benchmark (indexed at 100 as from 14 June 2016)



Dividends

Dividends paid during the financial year ended 30 June 2017 were:

Type	Date Declared	Date Paid	Amount per Share (MUR)	Total (MUR)
Interim	11-Nov-16	20-Dec-16	0.18	122,440,327.20
Final	11-May-17	23-Jun-17	0.47	319,705,298.80
Total for Financial Year			**0.65**	**442,145,626.00**

Calendar of forthcoming shareholders' events

NOVEMBER 2017
- Publication of first quarter results to 30 September 2017
- Declaration of interim dividend

DECEMBER 2017
- Payment of interim dividend
- Annual Meeting of Shareholders

FEBRUARY 2018
- Publication of half-yearly results to 31 December 2017

MAY 2018
- Publication of third quarter results to 31 March 2018
- Declaration of final dividend

JUNE 2018
- Payment of final dividend

Jan Boullé
Chairman

Maxime Rey
Director

25 September 2017

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: IBL Ltd

Reporting Period: 30 June 2017

We, the Directors of IBL Ltd, confirm that to the best of our knowledge, the Company has not fully complied with the principles of the Code of Corporate Governance, for the reasons stated below:

Areas of non-application of the Code		Explanation for non-application
Principle 1	• Reassessment of Charters by the Board • Approval of the Code of Ethics	• The frequency at which the Board will assess the Charters is being discussed for implementation • Preparation of the Code of Ethics is in progress and will be approved during the next financial year
Principle 2	• Composition of Audit Committee: Chairperson of the Audit Committee is not an Independent Director • Details of directorship held in other organisations not given	• The Board is in the process of seeking an Independent Director with the right profile to chair this Committee • Will be reported in next year's Corporate Governance Report
Principle 3	• The Succession Plan has not been disclosed in the Corporate Governance Report	• The Succession Plan of the Company will be formalised during the next financial year
Principle 4	• The Board has not conducted an evaluation of the effectiveness of the Board, its Committees and its individual Directors • Total remuneration on an individual basis not disclosed	• This evaluation will be carried out in 2018 by an external evaluator • For reasons of confidentiality and due to commercial sensitivity of the information, total remuneration on an individual basis has not been disclosed
Principle 5	• Whistle-blowing procedures	• The revised Code of Ethics will include a policy on whistle-blowing together with the relevant procedure
Website	• The website does not contain all the required disclosures	• The website is currently being redesigned

Jan Boullé
Chairman

Maxime Rey
Director

25 September 2017

CERTIFICATE FROM COMPANY SECRETARY

30 JUNE 2017

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

25 September 2017

STATUTORY DISCLOSURES

S. 221 OF THE COMPANIES ACT 2001

PRINCIPAL ACTIVITY OF THE COMPANY

The Company and its subsidiaries are engaged in a wide range of activities organised in 9 sectors: Agro, Building & Engineering, Commercial, Financial Services, Hospitality, Manufacturing & Processing, Life, Logistics and Property. It holds substantial investments in several industries, such as the real estate industry, tourism, banking, communications, biotechnologies and a chain of supermarkets.

The stated capital of the Company is made up of 680,224,040 ordinary shares and 1,510,666,650 restricted redeemable shares.

DIRECTORS

The names of the Directors of the Company as at 30 June 2017 were as follows:

Directors	Alternate Director
Jan Boullé (Chairman)	
Martine de Fleuriot de la Colinière	
Yann Duchesne	
Pierre Guénant	
Jason Harel	
Jean-Claude Harel	
Arnaud Lagesse	
Hugues Lagesse	
Jean-Pierre Lagesse	
Thierry Lagesse	Stéphane Lagesse
Gilles Michel	
Maxime Rey	
Jean Ribet	

As per Section 221(3) of the Mauritius Companies Act 2001, a complete list of Directors and Alternate Directors of IBL Ltd and its subsidiaries as at 30 June 2017 is set out on page 159 of the Integrated Report.

DIRECTORS' SERVICE CONTRACTS

There is no service contract between the Company and any of its Directors except for Mr. Yann Duchesne who has a contract expiring on the 15th of January 2018.

CONTRACT OF SIGNIFICANCE

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

DIRECTORS' INSURANCE

The Directors benefit from an indemnity insurance to cover for liabilities which may be incurred while performing their duties to the extent permitted by law.

DIRECTORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

There were no debt securities issued by the Company as at 30 June 2017. The direct and indirect interests of the Directors and Senior Officers in the equity securities of the Company as at 30 June 2017 were as follows:

	Direct Interest		Indirect Interest
Directors	Shares	%	%
Jan Boullé	-	-	2.333
Martine de Fleuriot de la Coliniere	-	-	-
Yann Duchesne	-	-	-
Pierre Guénant	-	-	-
Jason Harel	-	-	-
Jean-Claude Harel	10,203,314	1.5	-
Arnaud Lagesse	-	-	4.125
Hugues Lagesse	-	-	3.60
Jean Pierre Lagesse	-	-	-
Thierry Lagesse	12,317,102	1.8	1.03
Gilles Michel	-	-	-
Maxime Rey	-	-	-
Jean Ribet	-	-	-
Alternate Directors			
Stéphane LAGESSE	12,566,725	1.8	1.03
Senior Officers			
IBL Management Ltd	-	-	-
Jean-Claude Béga	-	-	-
Dipak Chummun	-	-	-
Thierry Labat	24	-	-

DIRECTORS' REMUNERATION AND BENEFITS

Total remuneration and benefits received by the Directors from the Company and its subsidiaries were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive	**563,459**	339,488	**38,863**	0
Non-Executive	**10,904**	13,932	**9,915**	3,461

For reasons of confidentiality and due to commercial sensitivity of such information, total remuneration has been disclosed by category.

AUDITORS' REMUNERATION

For the year under review, the fees incurred for audit services and non-audit services were as follows:

	Audit Services	
	2017 Rs'000	2016 Rs'000
The Company	2,700	2,716
Subsidiaries of the Company		
Deloitte	15,762	15,662
Ernst & Young	9,192	6,100
BDO & Co	375	566
Exa – Reunion	2,512	Euro 31
Exco Reunion	2,052	Euro 60
Kemp Chatteris	478	144
EY Maldives	336	
IBG	246	
Michaelides Warner & Co	44	
Moore Stephens	210	
NPNM	210	
Other auditors	1,008	3,413
Cays Associates	716	

	Non-Audit Services			
	Details of Services	Audit Firm	2017 Rs'000	2016 Rs'000
The Company	Internal audit and consultancy	Ernst & Young	3,476	22,467
	Consultancy	BDO & Co	1,200	2,875
Subsidiaries of the Company	Consultancy	Deloitte	322	195

DONATIONS

	2017		2016	
	Others Rs'000	**Political Rs'000**	Others Rs'000	Political Rs'000
The Company	**1,594**	**250**	5,102	150
Subsidiaries of the Company	**17,781**	**36**	15,580	759

25 September 2017

Jan Boullé
Chairman

Maxime Rey
Director

LIST OF SUBSIDIARIES OF IBL LTD

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Chantier Naval de l'Océan Indien Limited	Building and Engineering	Yann Duchesne Frank Piriou Jean Yves Ruellou Jean-Luc Wilain Dipak Chummun		
CNOI Investments Ltd	Building and Engineering	Yann Duchesne Frank Piriou Jean Yves Ruellou Jean-Luc Wilain Dipak Chummun		
Construction & Material Handling Company Ltd	Building and Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
DieselActiv Co Ltd	Building and Engineering	Fabrizio Merlo Dipak Chummun Jocelyn Labour		
Engineering Services Ltd	Building and Engineering	Fabrizio Merlo Krishnah Gooroosawmy		
Engitech Ltd	Building and Engineering	Fabrizio Merlo Eric Le Breton Krishnah Gooroosawmy Dipak Chummun		
Fit-Out (Mauritius) Ltd	Building and Engineering	Fabrizio Merlo Robert Goupille Krishnah Gooroosawmy Eric Hardy		
IBL Madagasikara S.A.	Building and Engineering			
Manser Saxon Interiors Ltd (formerly Kuros Company Ltd (formerly: Instyle by MS Ltd)	Building and Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Somaskandan Warden	 13-Oct-16	
Manser Saxon Elevators Ltd	Building and Engineering	Fabrizio Merlo Dipak Chummun		
Manser Saxon Plumbing Ltd	Building and Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Manser Saxon Contracting Ltd	Building and Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Jean-Luc Wilain Yann Duchesne Krishnah Gooroosawmy Ashutosh Hurbungs	 11-Feb-16 6-Dec-16 6-Dec-16	

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Manser Saxon Dubai LLC	Building and Engineering	Fabrizio Merlo		
Manser Saxon Interiors LLC	Building and Engineering	Fabrizio Merlo		
Manser Saxon Openings Ltd	Building and Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Manser Saxon Training Services Ltd	Building and Engineering	Fabrizio Merlo Eric Hardy Dipak Chummun Jean-Luc Wilain		
Saxon International Ltd	Building and Engineering	Fabrizio Merlo		
Servequip Ltd	Building and Engineering	Fabrizio Merlo Krishnah Gooroosawmy Dipak Chummun		
Scomat Limitée	Building and Engineering	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		
Systems Building Contracting Ltd	Building and Engineering	Christine Rouillard Maurice de Marassé Enouf Krishnah Gooroosawmy Dipak Chummun Fabrizio Merlo		
Tornado Limited	Building and Engineering	Fabrizio Merlo Dipak Chummun		
Flacq Associated Stonemasters Limited	Building and Engineering	Thierry Lagesse		
		Jean Ribet		
		Stephane Ulcoq		
		Christophe Quevauvilliers		
		Olivier Fayolle	19-Aug-16	
		Cedric de Speville		3-Apr-17
The United Basalt Products Limited	Building and Engineering	Francois Boullé		
		Laurent de la Hogue		
		Yann Duchesne	8-Feb-17	
		Marc Freismuth		
		Joel Harel		
		Arnaud Lagesse		
		Stephane Lagesse		
		Thierry Lagesse		
		Jean Claude Maingard		
		E. Jean Mamet		
		Christophe Quevauvilliers		
		Stephane Ulcoq		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Espace Maison Ltée	Building and Engineering	Francois Boullé		
		Laurent de la Hogue		
		Yann Duchesne	8-Feb-17	
		Marc Freismuth		
		Joel Harel		
		Thierry Lagesse		
		Jean Claude Maingard		
		E. Jean Mamet		
		Stephane Ulcoq		
Compagnie de Gros Cailloux Ltée	Building and Engineering	Francois Boullé		
		Thierry Lagesse		
		Christophe Quevauvilliers		
		Stephane Ulcoq		
Welcome Industries Ltd	Building and Engineering	Thierry Lagesse		
		Christophe Quevauvilliers		
		Stephane Ulcoq		
UBP International Ltd	Building and Engineering	Thierry Lagesse		
		Joel Harel	12-Jan-17	
		Marc Freismuth	12-Jan-17	
Sainte Marie Crushing Plant Limited	Building and Engineering	Thierry Lagesse		
		Richard Koenig		
		Christophe Quevauvilliers		
		Stephane Ulcoq		
Dry Mixed Products Ltd	Building and Engineering	Marc Freismuth		
		Thierry Lagesse		
		Vincent Jacques Bouckaert		
		Jam Jahangir Khan (Alternate)		
		Stephane Ulcoq		
		Jean Yves Koenig		29-May-17
		Alexis Claude	29-May-17	
		Colin Taylor		
		Eric Adam (Alternate)		
		Christophe Quevauvilliers (Alternate)		
Land Reclamation Ltd	Building and Engineering	Francois Boullé		
		Joel Harel		
Stone and Bricks Limited	Building and Engineering	Christophe Quevauvilliers		
		Joel Harel		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
The Stonemasters Co Ltd	Building and Engineering	Christophe Quevauvilliers Joel Harel		
Pricom Ltd	Building and Engineering	Thierry Lagesse Joel Harel Stephane Ulcoq		
Blychem Ltd	Commercial	Fabrizio Merlo Krishnah Gooroosawmy Dipak Chummun		
Escape Outdoor & Leisure Ltd	Commercial	Fabrizio Merlo Eric Le Breton Krishnah Gooroosawmy Dipak Chummun		
HealthActiv Ltd (formerly IBL Consumer Health Products Ltd)	Commercial	Dindranath Parbhoo Jheelan Dipak Chummun Hubert Gaspard		
Medical Trading Company Ltd	Commercial	Dindranath Parbhoo Jheelan Ajay Chooroomoney Dipak Chummun Hubert Gaspard		
Medical Trading International Ltd	Commercial	Djilani Hisaindee Suketu Naik Sangeeta Nathoo Dindranath Parbhoo Jheelan Dipak Chummun		
New Cold Storage Company Limited	Commercial	Dipak Chummun Jean Michel Rouillard		
Pick and Buy Limited	Commercial	Yann Duchesne Jean Michel Rouillard Jan Boullé Hubert Gaspard Arnaud Lagesse Nicolas Merven Dipak Chummun	11-Feb-17 1-Jan-17 16-Jan-17 16-Jan-17 16-Jan-17 	 1-Jan-17 16-Jan-17
Trident Healthcare Limited	Commercial	Dipak Chummun Djilani Hisaindee		
Winhold Limited	Commercial	Dipak Chummun Yann Duchesne Jean Michel Rouillard Nicolas Merven	 1-Jan-17 	 1-Jan-17

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Intergraph Ltée	Commercial	Hubert Leclézio Patrick Macé Jean-Luc Wilain Arnaud Lagesse	 16-Jan-17	 16-Jan-17
Heilderberg Océan Indien Limitée	Commercial	Hubert Leclézio Patrick Macé		
Intergraph Réunion	Commercial	Patrick Macé Arnaud Lagesse		 16-Jan-17
Intergraph Reunion SAV	Commercial	Patrick Macé		
SCI Les Alamandas	Commercial	Patrick Macé		
Intergraph Réunion Papier	Commercial	Patrick Macé		
Intergraph Editions Ltée	Commercial	Hubert Leclézio Patrick Macé Jean-Luc Wilain Arnaud Lagesse	 16-Jan-17	 16-Jan-17
Les Classiques Africains du Cameroun SARL	Commercial	Patrick Macé		
Les Classiques du Sénégal	Commercial	Patrick Macé		
Adam and Company Limited	Corporate Services	Dipak Chummun Hubert Gaspard		
Blyth Brothers and Company Limited	Corporate Services	Dipak Chummun Hubert Gaspard		
Cassis Limited	Corporate Services	Dipak Chummun Hubert Gaspard		
Equip and Rent Company Ltd	Corporate Services	Dipak Chummun Derek Wong Wan Po		
Fondation Joseph Lagesse	Corporate Services	Arnaud Lagesse Anne Rogers Lorraine Lagesse Cassam Uteem Christine Marot Genevieve de Souza Jonathan Ravat Hubert Gaspard Martine Hennequin	 1-Jul-16 3-Jul-17	
IBL Africa Investment Ltd	Corporate Services	Dipak Chummun Jean-Luc Wilain		
IBL Biotechnology (International) Ltd	Corporate Services	Dipak Chummun Jean-Luc Wilain		
IBL Corporate Services Ltd	Corporate Services	Dipak Chummun Hubert Gaspard		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
IBL Entertainment Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Entertainment Holding Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Treasury Management Ltd	Corporate Services	Yann Duchesne		
		Dipak Chummun		
Les Cuisines Solidaires Ltée	Corporate Services	Hubert Gaspard		5-Jul-17
		Nicolas Merven		1-Jan-17
		Lindsay Edwards		2-May-17
		Sylvette Godere		1-Jan-17
		Djilani Hisaindee		2-May-17
		Dindranath Parbhoo Jheelan		2-May-17
		Derek Wong Wan Po		2-May-17
		Daniel Ah Chong	2-May-17	
		Nicolas Merven	2-May-17	
		Anabelle Samouilhan	2-May-17	
		Geneviève de Souza	2-May-17	1-Jul-17
IBL International Ltd	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IBL Training Services Ltd	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IMV Services Ltd	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
I-Consult Limited	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
Ireland Blyth (Seychelles) Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
Ireland Fraser and Company Limited	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
I-Telecom Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
Société de Traitement et d'Assainissement des Mascareignes Limitée	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
GML Immobilier Ltée	Corporate Services	Arnaud Lagesse		
Printvest Holding Ltd	Corporate Services	Arnaud Lagesse		
		Jean-Claude Béga		
		Laurent de la Hogue		
IBL Management Ltd	Corporate Services	Jan Boullé		
		Arnaud Lagesse		
		Thierry Lagesse		28-Feb-17
		Marc Freismuth		28-Feb-17
		Nicolas Weiss		28-Feb-17
		Jean-Claude Harel		28-Feb-17

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
SPCB Ltée	Corporate Services	Jan Boullé		
		Jean-Claude Béga		
		Olivier Decotter		
		Arnaud Lagesse		
		Thierry Lagesse		
IBL Treasury Ltd	Corporate Services	Laurent de la Hogue		
		Hubert Leclézio		
		Philippe Hardy		
		Dipak Chummun	20-Feb-17	
		Arnaud Lagesse		10-Feb-17
Ze Dodo Trail Ltd	Corporate Services	Yannick Doger de Speville		
		Yan de Maroussem		
		Aurelie Bastard de Crisnay	20-Jul-16	18-Jul-17
		Jean Michel Rouillard	20-Jul-16	
		Marie Hélène Lagesse	20-Jul-16	
The ConcreAte Agency Ltd	Corporate Services	Laurent de la Hogue		
		Philippe Cervello		
		Hubert Leclézio		
		Miow Fan Lam Ping Fong		
		Delphine Lagesse	30-Jun-17	
		Aurélie Bastard de Crisnay		30-Jun-17
Beach International Company Ltd	Financial & Other Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
DTOS Ltd	Financial & Other Services	Yann Duchesne		18-Feb-17
		Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Sattar Jackaria	26-Jan-17	
		Jean-Claude Béga	5-May-17	
DTOS International Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Kevin Allagapen		1-Aug-16
		Dipak Chummun		
		Mike Mootien	1-Aug-16	
		Didier Viney		
DTOS Trustees Ltd	Financial & Other Services	Jimmy Wong Yuen Tien		
		Mike Mootien		
		Dipak Chummun		
DTOS Outsourcing Ltd	Financial & Other Services	Kevin Allagapen		1-Aug-16
		Jimmy Wong Yuen Tien		
		Mike Mootien	1-Aug-16	
		Didier Viney		
		Dipak Chummun		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
IBL Financial Services Holding Ltd	Financial & Other Services	Dipak Chummun Hubert Gaspard		
Interface International Ltd	Financial & Other Services	Mervyn Chan Jimmy Wong Yuen Tien Dipak Chummun Jean-Claude Béga	 5-May-17	
Interface Management Services Ltd	Financial & Other Services	Jimmy Wong Yuen Tien Mervyn Chan Dipak Chummun		
IPSE (Nominees) Ltd	Financial & Other Services	Mervyn Chan Jimmy Wong Yuen Tien		
ITA EST (Nominees)	Financial & Other Services	Mervyn Chan Jimmy Wong Yuen Tien		
Knights & Johns Management Ltd	Financial & Other Services	Jean-Claude Béga Jimmy Wong Yuen Tien Mervyn Chan Dipak Chummun	5-May-17	
Mauritian Eagle Insurance Company Limited	Financial & Other Services	Yann Duchesne Jean-Claude Béga Robert Ip Min Wan Gilbert Ithier Subhas Lallah Alain Malliaté John Edward O'Neill (Alternate) Derek Wong Wan Po Pieter Bezuidenhout Dipak Chummun Laurent de la Hogue	 8-Feb-17	12-Jan-17
Specialty Risk Solutions Ltd	Financial & Other Services	Arvind Dookun Alain Malliaté Derek Wong Wan Po		
Mauritian Eagle Leasing Company Ltd	Financial & Other Services	Olivier Decotter Laurent de la Hogue Xavier Lagesse Derek Wong Wan Po Teeluckraj Tapesar Bernard Yen Manoj Vaghjee Dipak Chummun William Chung Nien Chin	5-Apr-17 28-Feb-17	

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Pines Ltd	Financial & Other Services	Jimmy Wong Yuen Tien Dipak Chummun		
Pines Nominees Ltd	Financial & Other Services	Jimmy Wong Yuen Tien Dipak Chummun		
Equity Spectrum Ltd	Financial & Other Services	Pierre Guénant Frederic Basset Arnaud Lagesse Denis Claude Pilot Jean Ribet Anabelle Samouilhan	12-May-17 12-May-17 12-May-17 12-May-17 12-May-17 12-May-17	
The Bee Equity Partners Ltd	Financial & Other Services	Jean-Claude Béga Jan Boullé Olivier Fayolle Dayanidhi Gujadhur Yann Duchesne Thierry Lagesse Arnaud Lagesse Laurent de la Hogue	16-Jan-17 16-Jan-17 	 13-Feb-17 16-Jan-17
Alentaris Ltd	Financial & Other Services	Hubert Leclézio Olivier Decotter Thierry Goder Hubert Gaspard		
Alentaris Recruitment Ltd	Financial & Other Services	Hubert Leclézio Olivier Decotter Thierry Goder		
Alentaris Consulting Ltd	Financial & Other Services	Hubert Leclézio Olivier Decotter Thierry Goder		
Alentaris Management Ltd	Financial & Other Services	Hubert Leclézio Olivier Decotter Thierry Goder		
International Development Partners (E.A) Limited	Financial & Other Services			
Lux Island Resorts Ltd	Hospitality	Arnaud Lagesse Paul Jones Jean Claude Bega Laurent de la Hogue Jean de Fondaumiere Desiré Elliah Stephane Lagesse Pascale Lagesse Thierry Lagesse Maxime Rey Amaury Lagesse (Alternate) Dev Poolovadoo (Alternate)	 1-Jul-16 20-Apr-17 1-Jul-16 20-Apr-17 	

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Lux Hospitality Ltd	Hospitality	Paul Jones Desiré Elliah Arnaud Lagesse Alexis Harel Julian Hagger Christof Zuber Marie Laure Ah-You Hans Olbertz Dominik Ruhl (Alternate)		
Beau Rivage Co Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Blue Bay Tokey Island Limited	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Les Pavillons Resorts Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Lux Resorts Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Alexis Harel Paul Jones		
Café LUX Ltd (formerly Poseidon Limitée)	Hospitality	Arnaud Lagesse Alexis Harel Paul Jones		
FMM Ltée	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		
LTK Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		
MSF Leisure Company Ltd	Hospitality	Arnaud Lagesse Desiré Elliah Paul Jones		
LIRTA Ltd	Hospitality	Nicolas Autrey Desiré Elliah Paul Jones		
Lux Island Resorts UK Limited	Hospitality	Arnaud Lagesse Desiré Elliah		
Lux Island Resort Seychelles Ltd	Hospitality	Arnaud Lagesse Daniela Hoareau Gemma Mein Bernadette Suzanne Julie (Alternate) Desiré Elliah (Alternate)	 2-Aug-16	

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Lux Island Resort Maldives Ltd	Hospitality	Arnaud Lagesse Daniela Hoareau Gemma Mein Bernadette Suzanne Julie (Alternate) Desiré Elliah (Alternate) Peter Burian	 2-Aug-16 2-Aug-16	
Lux Hotel Management (Shanghai) Co Ltd	Hospitality	Paul Jones Desiré Elliah Julian Hagger		
White Sand Resorts & Spa Pvt Ltd	Hospitality	Arnaud Lagesse Paul Jones Leon Liu Desiré Elliah (Alternate)		
Naiade Holidays (Pty) Ltd	Hospitality	Paul Jones Desiré Elliah		
Island Light Vacations Ltd	Hospitality	Paul Jones Desiré Elliah		
Lux Island Resort Foundation	Hospitality	Paul Jones Desiré Elliah		
Holiday & Leisure Resorts Limited	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Merville Beach Hotel Ltd	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Merville Ltd	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah		
Nereide Ltd	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah (Alternate)		
Oceanide Limited	Hospitality	Arnaud Lagesse Paul Jones Desiré Elliah (Alternate)		
SAS Hotel Prestige Reunion	Hospitality	Paul Jones		
SA Les Villas du Lagon	Hospitality	Paul Jones Stephane Baras Desiré Elliah		
SA Sociétés Villages - Hotel de l'Ocean Indien	Hospitality	Paul Jones Stephane Baras Desiré Elliah		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
The Ground Collaborative Space Ltd	Life	Dipak Chummun	11-Mar-16	
		Celine Planel	11-Mar-16	
		Olivier Fayolle	14-Jun-16	
		Brice Harel	15-Jul-17	
		Robin Hardin	25-Jul-17	
		Muriel Yvon	25-Jul-17	
IBL Life Ltd	Life	Thierry Lagesse		
		Martine de Fleuriot de la Colinière	23-Feb-17	
		Jan Boullé		
		Arnaud Lagesse		
		Hubert Leclézio		
		Jean François Loumeau		
		François Rivalland		
Rouclavier Ltd	Life	Arnaud Lagesse		
		Jean Louis Roule		
		Agathe Desvaux de Marigny		
		Yann Duchesne	10-Feb-17	
		Hubert Leclézio		
		Claire Blazy Jauzac		
		Gerard Le Fur	10-Feb-17	
Services Gestion des Compagnies Ltée	Life	Jean Louis Roule		
		Arnaud Lagesse	31-Jan-17	
		Hubert Leclézio	31-Jan-17	
CIDP Preclinical Ltd	Life	Jean Louis Roule		
Centre International de Developpement Pharmaceutique Pte Ltée	Life	Jean Louis Roule		
CIDP India	Life	Jean Louis Roule		
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac	19-Oct-16	
CIDP Biotech India Private Limited	Life	Claire Blazy Jauzac		
		Jean Louis Roule		
		Rashi Nangia		
		Annie Jain	15-Jul-16	
CIDP International	Life	Johanna Raffray Roule		
		Paramaseeven Sooben		
		Jean Louis Roule		
		Agathe Desvaux de Marigny		
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac	19-Oct-16	

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
CIDP Biotechnology SRL	Life	Christophe Harel Claire Blazy Jauzac Jean Louis Roule		
CIDP Brasil	Life	Jean Louis Roule Sabrina Bungaroo Sonea Claire Blazy Jauzac	19-Oct-16	
CIDP Do Brasil Pesquisas Clinicas Ltda	Life	Thais Junqueira Schmidt Pontes		
Centre de Phytotherapie et de Recheche Ltée	Life	Jean Louis Roule Claire Blazy Jauzac		
CIDP Singapore	Life	Jean Louis Roule Sabrina Bungaroo Sonea Claire Blazy Jauzac	19-Oct-16	
CIDP Biotech Singapore (Centre International de Development Pharmaceutique) PTE. Ltd	Life	Lam Pak Ng Lim Sit Chen Lordan Angelica		
IBL Link Ltd	Life	Arnaud Lagesse Jan Boullé Hubert Leclézio Laurent Fayolle Nicolas Weiss	20-Feb-17	13-Feb-17
Plat-Form Laser	Life	Gérard Crépet Jean Louis Roule		
Air Mascareignes Limitée	Logistics	Marie Joseph Male Dipak Chummun Daniel Ah Chong		
Arcadia Travel Madagascar	Logistics			
Arcadia Travel Comores s.a.r.l.	Logistics			
Australair General Sales Agency Ltd	Logistics	Jean Marc Grazzini Dipak Chummun Daniel Ah Chong Pierre Bosse		
Australair GSA Comores s.a.r.l.	Logistics	Josian Caetan		
Australair GSA Mada s.a.	Logistics	Avo Andriantsisosotra		
Catovair Comores s.a.r.l.	Logistics			
Compagnie Thonière de l'Ocean Indien Limited	Logistics	Dipak Chummun Daniel Ah Chong		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Ground 2 Air Ltd (formerly Equity Aviation Indian Ocean Limited)	Logistics	Yann Duchesne Dipak Chummun Daniel Ah Chong		
Equity Aviation Comores s.a.r.l.	Logistics	Josian Caetan		
G2A Camas Ltd	Logistics	Daniel Ah Chong Dipak Chummun Christel Barel Patrick Grandoulier		
IBL Aviation s.a.r.l.	Logistics			
IBL Aviation Comores s.a.r.l.	Logistics	Daniel Ah Chong		
IBL Cargo Village Ltd	Logistics	Daniel Ah Chong Dipak Chummun		
IBL Comores s.a.r.l.	Logistics	Josian Caetan Devdass Ramasawmy Daniel Ah Chong		
IBL Comores GSA Anjouan s.a.r.l.	Logistics	Josian Caetan Daniel Ah Chong Devdass Ramasawmy		
IBL Fishing Company Ltd	Logistics	Daniel Ah Chong Dipak Chummun		
IBL Regional Development Ltd	Logistics	Daniel Ah Chong Dipak Chummun		
IBL Travel Limited	Logistics	Daniel Ah Chong Dipak Chummun		
IBL Shipping Company Ltd (formerly Indian Ocean Logistics Limited)	Logistics	Daniel Ah Chong Dipak Chummun		
I World Ltd	Logistics	Daniel Ah Chong Dipak Chummun		
Logidis Limited	Logistics	Daniel Ah Chong Dipak Chummun Yann Duchesne		
Mad Courrier SARL	Logistics	Daniel Ah Chong		
Mada Aviation SARL	Logistics	Daniel Ah Chong		
Reefer Operations (BVI) Limited	Logistics	Dipak Chummun Djilani Hisaindee Devdass Ramasawmy	27-Mar-17	27-Mar-17
Riche Terre Development Limited	Logistics	Fabrizio Merlo Dipak Chummun Jean-Luc Wilain		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Seaways Marine Supplies Limited	Logistics	Daniel Ah Chong Dipak Chummun		
Société Mauricienne de Navigation Limitée	Logistics	Daniel Ah Chong Dipak Chummun		
Somatrans SDV Ltd	Logistics	Thierry Ehrenbogen Michel Guilaumin Daniel Ah Chong Dipak Chummun	31-Mar-17	 31-Mar-17
Somatrans SDV Logistics Ltd	Logistics	Daniel Ah Chong Dipak Chummun		
Southern Seas Shipping Company Limited	Logistics	Daniel Ah Chong Djilani Hisaindee Dipak Chummun Devdass Ramasawmy	 23-Mar-17	 23-Mar-17
Tourism Services International Limited	Logistics	Daniel Ah Chong Dipak Chummun Devdass Ramasawmy		 15-Mar-17
Aquatic Proteins Private Limited	Manufacturing & Processing	Amit Verma John Tharakan Abraham Dipak Chummun Patrice Robert Gopalakrishna Purseramen Tharakan Keya		
Cervonic Ltd	Manufacturing & Processing	Yann Duchesne Gildas Breton Stephane Lozachmeur Patrice Robert Dipak Chummun Jean-Pierre Rivery		
Fresh Cuts (Uganda) Ltd	Manufacturing & Processing	Daniel Ah Chong Kee Sik Tin Wan Yuen Dipak Chummun Jean-Luc Wilain Torben Laumann		 6-Sep-16
Froid des Mascareignes Ltd	Manufacturing & Processing	Daniel Ah Chong Kepa Echevarria Maurice Rault Patrice Robert Shekur Suntah Aruna Devi Bunwaree-Ramsaha Dipak Chummun Benoit Barbeau Yann Duchesne		

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
IBL Biotechnology Investment Holdings Ltd	Manufacturing & Processing	Yann Duchesne Dipak Chummun Jean-Luc Wilain	23-Jan-17	
IBL Biotechnology (Mauritius) Ltd	Manufacturing & Processing	Yann Duchesne Jesper Simonsen Fabrizio Merlo		
IBL India Investments Ltd	Manufacturing & Processing	Patrice Robert Dipak Chummun Jean-Luc Wilain		
IBL Gabon Investments Limited	Manufacturing & Processing	Dipak Chummun Jean-Luc Wilain		
IBL Ugandan Holdings 1 Limited	Manufacturing & Processing	Dipak Chummun Daniel Ah Chong		
IBL Ugandan Holdings 2 Limited	Manufacturing & Processing	Dipak Chummun Daniel Ah Chong		
Industrie et Services de l'Océan Indien Limitée	Manufacturing & Processing	Frank Piriou Jean-Luc Wilain Jean Yves Ruellou Dipak Chummun		
La Tropicale Mauricienne Ltée	Manufacturing & Processing	Aldo Létimier Jean Michel Rouillard Dipak Chummun Hubert Gaspard	10-Jan-17	 10-Jan-17
Marine Biotechnology Products Ltd	Manufacturing & Processing	Dipak Chummun Philip Ryle Patrice Robert		
Marine Biotechnology International Ltd	Manufacturing & Processing	Dipak Chummun Patrice Robert		
Seafood Hub Limited	Manufacturing & Processing	Kepa Echevarria Ignacio Ibarra Dipak Chummun Patrice Robert Jean-Luc Wilain Yann Duchesne		
Transfroid Ltd	Manufacturing & Processing	Daniel Ah Chong Kepa Echevarria Maurice Rault Patrice Robert Shekur Suntah Aruna Devi Bunwaree-Ramsaha Dipak Chummun Yann Duchesne		
Tuna Mascarene S.l.	Manufacturing & Processing			

Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Camp Investment Company Limited	Manufacturing & Processing	Jean-Claude Béga Jan Boullé François Dalais François Hugnin Guillaume Hugnin Arnaud Lagesse Hugues Lagesse Thierry Lagesse	 1-Jul-16 	
Phoenix Management Company Limited	Manufacturing & Processing	Jean-Claude Béga François Dalais Guillaume Hugnin Arnaud Lagesse Thierry Lagesse		
Phoenix Investment Company Limited	Manufacturing & Processing	Jean-Claude Béga Jan Boullé François Dalais François Hugnin Arnaud Lagesse Hugues Lagesse Thierry Lagesse	 1-Jul-16 	
Phoenix Beverages Limited	Manufacturing & Processing	Jean-Claude Béga Jan Boullé François Dalais Guillaume Hugnin Didier Koenig Arnaud Lagesse Hugues Lagesse Thierry Lagesse Sylvia Maigrot Reshan Rambocus Patrick Rivalland Bernard Theys	 1-Jul-16 10-May-17 	
MBL Offshore Ltd	Manufacturing & Processing	Arnaud Lagesse Thierry Lagesse		
Phoenix Beverages Overseas Ltd	Manufacturing & Processing	François Dalais Thierry Lagesse Bernard Theys		
The (Mauritius) Glass Gallery Ltd	Manufacturing & Processing	Jean-Claude Béga Charles Preeteejohn Patrick Rivalland Bernard Theys		
Mauritius Breweries International Ltd	Manufacturing & Processing	François Dalais Bernard Theys		
Phoenix Distributors Ltd	Manufacturing & Processing	François Dalais Bernard Theys		
Phoenix Camp Minerals Offshore Ltd	Manufacturing & Processing	Thierry Lagesse Bernard Theys		

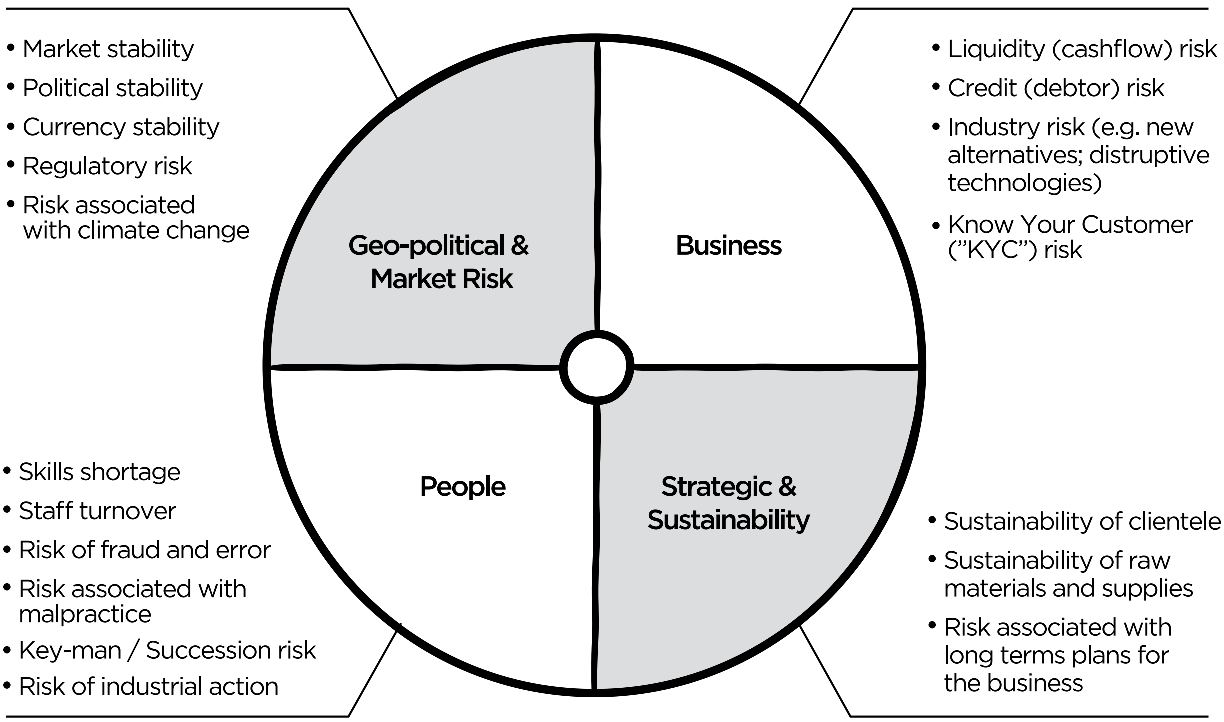
Name of Subsidiary	Sector	Name of Director	Date of Appointment during the financial year 2016-2017	Date of Resignation during the financial year 2016-2017
Phoenix Réunion SARL	Manufacturing & Processing	Bernard Theys		
Helping Hands Foundation	Manufacturing & Processing	Patrick Rivalland Paul Rose Bernard Theys		
Phoenix Foundation	Manufacturing & Processing	Thierry Lagesse Patrick Rivalland Bernard Theys		
Edena S.A.	Manufacturing & Processing	Jean-Claude Béga Arnaud Lagesse Patrick Rivalland Bernard Theys		
Espace Solution Reunion SAS	Manufacturing & Processing	Bernard Theys		
SCI Edena	Property	Bernard Theys		
Bloomage Ltd	Property	Dipak Chummun		
		Yann Duchesne		
		Jan Boullé	10-Feb-17	
		Arnaud Lagesse	10-Feb-17	
		Jean-Luc Wilain	10-Feb-17	
		Nicolas Merven		1-Jan-17
		Jean Michel Rouillard	1-Jan-17	10-Feb-17

RISK MANAGEMENT REPORT

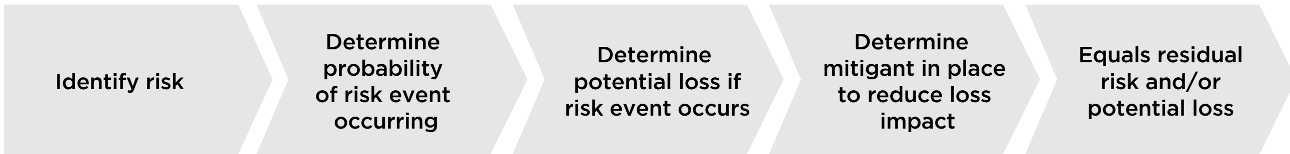
IBL's Audit & Risk committee has the overall risk governance mandate to ensure that the company and the Group are adequately identifying, evaluating and addressing the risks that they face.

Given the diversity of sectors of activity in which the Group is engaged in, is subject to a wide spectrum of risks. It follows that individual companies within the Group could have risks which diverge widely from one another.

Two years ago, IBL drew up a register of risks for the businesses that it operates. These were garnered via a detailed risk questionnaire, a set of consistent guidelines, a subsequent interview with key operational managers, resulting in a rating for each risk criteria. The questionnaire covered the following areas:



Each risk was evaluated with the following logic:

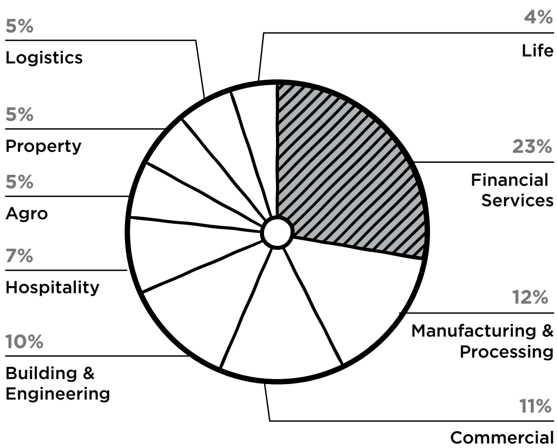


The residual risk and/or potential loss were categorised into High, Medium and Low bands to firstly create awareness but more importantly to strengthen internal controls, introduce new policies or change business models as appropriate. Our Group Internal Auditor bases its review of internal controls partly on the resulting findings.

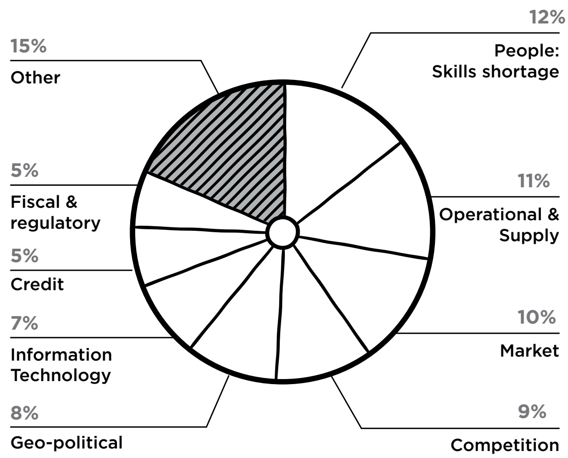
The above approach was introduced in the Group's "business case template" as well, to ensure that for new strategic initiatives, risks were evaluated at the point of making critical business decisions.

The Group's top 20 businesses have identified 82 major risks, summarized by sector and category of risk below:

High risks by sector



High risks by category



The Financial Services Sector has the highest number of identified potential risks but this is due to the fact that (i) IBL has a number of companies operating in the Financial Services sector and (ii) risk is an inherent part of most lending, banking and insurance businesses. This sector is highly regulated for that very reason and each business has its own risk committee and risk governance framework. The main risks identified are credit, market, operational, concentration, liquidity, and IT which is a global industry phenomenon. Skills shortages are an additional issue in Mauritius. Manufacturing & Processing, Commercial and Building & Engineering tend to have more operational and competition risks but also face skills shortages at supervisory and managerial levels.

In terms of category of risk, skills shortages are widely seen as a major issue, alongside operational and supply issues. Market (including currency, raw material or global sales price fluctuations), competition and geo-political risks also present a number of inherent issues for businesses.

Remediation solutions are sought for risks with a potentially high impact by IBL and its subsidiaries, via their Management, Management Boards, Company Boards, Board sub-committees or Risk Committees.

To illustrate, we will describe below how the Group approached risk management for two of its Businesses. These are two companies which have faced risks, specific to their industries, resulting in actions which are very different in their nature and approach.

The example of Mauritian Eagle Leasing Company Ltd (MELCO)

We have previously reported that MELCO has faced "delinquencies", the situation whereby clients who have taken loans from MELCO to finance the purchases of specific assets fail to honour their obligation to repay their dues. Credit risk is a risk that any company operating in the leasing or lending business faces and that needs to be managed very carefully.

We identified that our portfolio of delinquent loans was highly correlated to loans granted for specialised assets as well as to the construction sector, which has been sluggish over the last few years. It follows that the small market for the resale of specialised assets recovered also posed a challenge.

While MELCO's management is taking measures to recover overdue debts from clients in the face of changing and challenging market conditions, it has also pro-actively strengthened its management and governance of credit risk. Some of the actions taken are listed below:

(i) its Credit Committee sits at least once a week to review a detailed scorecard for all proposals, and the Board has delegated certain limits to the Credit Committee, above which only the Board can approve proposals;
(ii) it has tightened its underwriting standards to match the risk appetite of the company; and
(iii) its business model has changed focus towards areas in which the business wishes to grow and which match its risk appetite.

The example of Seafood

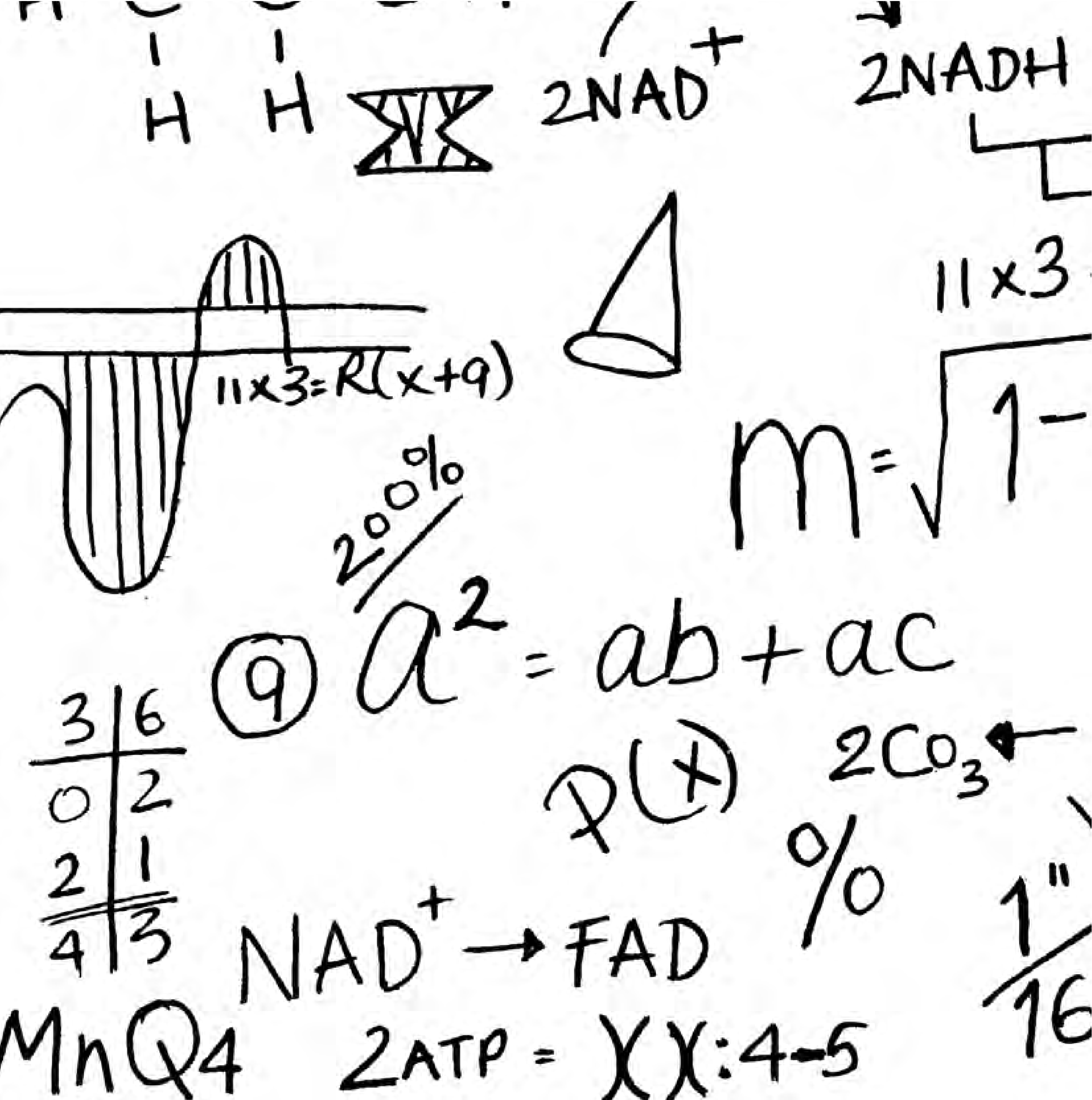
Sustainability of tuna stocks in the Indian Ocean are an ongoing concern. The quotas established in May 2016 to limit the amount of yellowfin fished in the Indian Ocean were a concern due to the insufficient coordination of their implementation. This would have significantly impaired the long-term sustainability of the fishing industry in the Indian Ocean.

IBL, via the Mauritian Ministry for Fisheries, successfully lobbied the Indian Ocean Tuna Convention (IOTC) in May 2017 to amend the resolution. This curtailed the use of Fish Aggregating Devices ("FADs") and supply vessels by commercial fisheries.

Next steps

Recognising that IBL is faced with a wide range of risks, IBL has decided to create a new position within its Corporate Centre in the form of a Group Head of Risk Management. In a nutshell, the objectives of this role will be to: (a) create a centre of expertise to identify, evaluate and address risk across our businesses and (b) to ensure there is a central point of coordination to capture and resolve risk-related issues.

The Board believes this is an important function that will work closely with other Corporate Centre functions and Group Businesses alike to ensure that the Group has adequate measures in place to mitigate risks and create an environment of "no unpleasant surprises".


H H
2NAD+
2NADH
11x3
11x3=R(x+9)
m=√1−
200%
9 a2 = ab + ac
3 6
0 2
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P(x)
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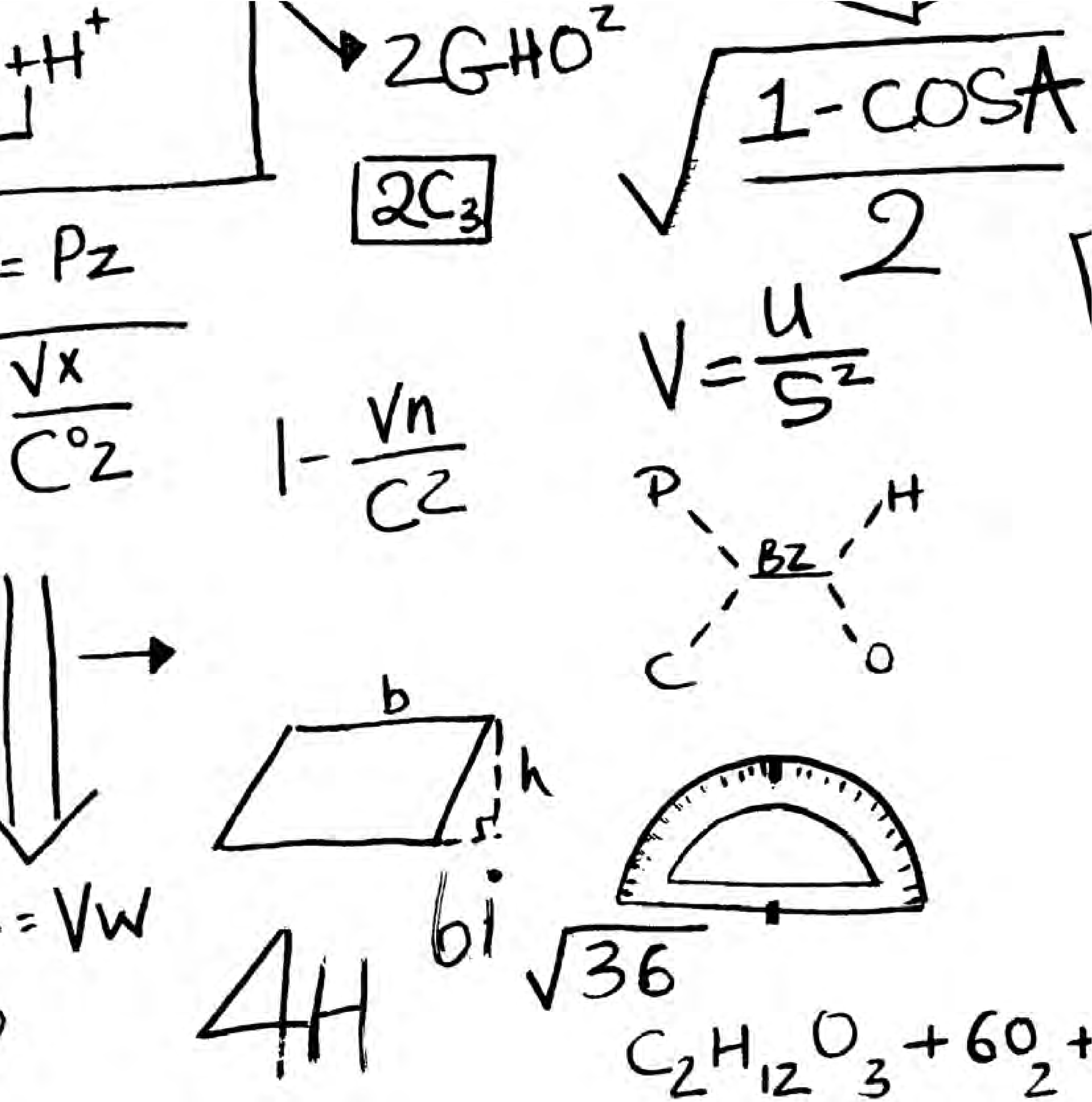


FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IBL LTD

REPORT ON AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of **IBL Ltd** (the "Company") and its subsidiaries (the "Group") set out on pages 190 to 315, which comprise the consolidated and separate statements of financial position as at 30 June 2017, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate 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 accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2017, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

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 Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the IESBA Code of Ethics for Professional Accountants. 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, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated and separate financial statements.

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Valuation of properties The Group and the Company's carrying value of land and buildings amounted to Rs 17.66 billion and Rs 829 million and investment properties amounted to Rs 396 million and Rs 145 million respectively. The Group and the Company's revaluation adjustments in respect of land and buildings recorded in other comprehensive income for the year was Rs 375 million and Rs 51 million while the fair value adjustments in respect of investment property recorded in loss for the year was Rs 72 million and RsNil respectively. The disclosures are provided in Notes 4 and 5 to the financial statements. Significant judgment is required by management in determining the fair value of properties. Accordingly the valuation of properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the fair value. The properties of the Group and the Company comprise of owner-occupied land and buildings and investment properties. The models used to determine the fair values for each of the categories differ due to the different nature of each of these categories. The Company uses an independent valuer to determine the fair values for all of the properties held in these categories. The inputs with the most significant impact on these valuations include comparable market data, discount rates, capitalisation rates, depreciation rates, and replacement costs.	We assessed the competence, capabilities and objectivity of management's independent valuer, and verified the qualifications of the valuer. In addition, we discussed the scope of his work with management and reviewed his terms of engagement to determine that there were no matters that affected his objectivity or imposed scope limitations upon him. We confirmed that the approaches used were consistent with IFRS and industry norms. We evaluated management's judgments, in particular: • The models used by management; and • The significant assumptions including comparable market data, discount rates, capitalisation rates, depreciation rates and replacement costs. We compared these inputs to market data and entity-specific historical information to confirm the appropriateness of these judgments. Furthermore, we tested a selection of data inputs underpinning the valuation against appropriate supporting documentation to assess the accuracy, reliability and completeness thereof. The carrying values and disclosures pertaining to the revaluation of properties were found to be appropriate.

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted investments	
Fair values of unquoted investments are determined by using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flow, whichever is considered to be appropriate. The disclosures of fair values of unquoted investments have been provided in Notes 11, 12, 13, 14 and 36 to the financial statements. Such valuation exercise, as applied in the current year, requires that management makes estimates of discount factors and price earnings ratio as applicable to the relevant market. Changes in assumptions about these factors could affect the reported fair values of the unquoted investments. Determining whether the unquoted investments held at cost are impaired requires an estimation of the value in use of the unquoted investments. In considering the value in use, the directors have taken into consideration the management accounts, approved budgets and comparable transactions. The actual results could however differ from the estimates. The disclosures relating to impairment of unquoted investments have been provided in Notes 11, 12, 13 and 14 to the financial statements. Management has disclosed the accounting judgements and estimates used for fair valuation and impairment of investments in Note 3 to the financial statements. Accordingly the valuation of unquoted investments is considered to be a key audit matter.	In evaluating the fair values and impairment of unquoted investments, we reviewed the valuation calculations prepared by management. We performed various procedures, including the following: • Evaluated the appropriateness of the valuation methodology and models used • Reviewed the entity's controls relating to the preparation of the cash flow forecasts. • Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' strategic plans. • Assessed the reasonableness of the valuation assumptions and tested the underlying source information of the significant valuation assumptions • Reviewed appropriateness of discount factors used, including any illiquidity, size and lack of control factors • Verified the mathematical accuracy of the valuation • Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use and the appropriateness of the directors' disclosures. We considered the assumptions and disclosures in the financial statements to be appropriate
Impairment of goodwill	
The Group has goodwill amounting to Rs 2.3 billion at 30 June 2017. Significant judgement is required by management in assessing the impairment of goodwill, which is determined using discounted cash flows for each Cash Generating Units (CGU) for which goodwill has been allocated. Management has disclosed the accounting judgment and estimate used in the above in Notes 3 and 6. The value in use is extremely sensitive to changes in the weighted average cost of capital (WACC) rate and growth rate. Accordingly, for the purposes of our audit, we identified the impairment of goodwill as representing a key audit matter.	In evaluating the impairment of goodwill, we reviewed the value in use calculations prepared by management. We performed various procedures, including the following: • Reviewed the entity's controls relating to the preparation of the cash flow forecasts. • Reviewed the inputs used in the cash flow forecast against historical performance and in comparison to the directors' strategic plans. • Compared the growth rates used to historical data regarding economic growth rates in the cash generating units. • Reviewed appropriateness of discount factors used, including any illiquidity and size factors • Verified the mathematical accuracy of the valuation • Performed sensitivity analyses on the growth rates and discount rates to evaluate the extent of impact on the value in use. We considered the assumptions and disclosures in the financial statements to be appropriate.

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Retirement benefits	
The Group and the Company operate final salary defined benefit plans and have recognized a retirement benefit asset of Rs 5.5 million and retirement benefit obligations of Rs 1.7 billion and Rs 765 million respectively at 30 June 2017. Management has applied judgement in determining the retirement benefits and has involved an actuary to assist with the IAS 19 provisions and disclosures. Retirement benefit assets and obligations are considered a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the amount of provision. The significant assumptions used in respect of the retirement benefits assets and obligations have been disclosed in Note 22.	We assessed the competence, capabilities and objectivity of management's independent actuary and verified the qualifications of the actuary. The procedures performed included the following: • We assessed and challenged the assumptions that management made in determining the present value of the liabilities and fair value of plan assets. • We compared the assumptions used such as discount rate and annual salary increment with industry and historical data. • We verified the data used by the actuary with the payroll report for completeness and accuracy We found the assumptions and disclosures in the financial statements to be appropriate.
Loans and Advances – Allowance for credit impairment	
One of the Company's associated companies has recognised in their financial statements an allowance for credit impairment on loans and advances at 30 June 2017. The Group's share of the above represent Rs 524 million and Rs 251 million which are reflected in the Group's financial statements when applying the equity accounting as part of the investment in associates and share of results of associates at 30 June 2017 respectively. Due to the substantial amount of the loans and advances outstanding on the statement of financial position and the significance of the judgements applied, allowance for credit impairment on loans and advances is considered a key audit matter. The determination of assumptions for the measurement of impairment is highly subjective due to the level of judgement applied by Management. Changes in the assumptions and the methodology applied may have a major impact on the measurement of allowance for credit impairment. The judgement and assumptions used in determining allowance for credit impairment are disclosed in Notes 3 to the financial statements. The most significant judgments are: - if impairment events have occurred. - valuation of collateral and future cash flows. - management judgements and assumptions used.	We have discussed with the component auditor and the audit procedures performed included among others: • Obtaining audit evidence in respect of key controls over the processes for impairment events identification and collateral valuation. • Inspecting the minutes of Credit Committee and Board to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment. • Challenging the methodologies applied by using our industry knowledge and experience. • Assessing the key changes in the assumptions against industry standards and historical data. • Obtaining audit evidence of management judgments and assumptions, especially focusing on the consistency of the approach. • Performing a risk-based test of loans and advances to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment. We found the assumptions used in determining the allowance for credit impairment and disclosures in the financial statements to be appropriate.

Report on other legal and regulatory requirements

The Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

The Financial Reporting Act 2004

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

In our opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

Other information

The directors are responsible for the other information. The other information comprises the, Statutory Disclosures, List of directors of the Group and Certificate from Company Secretary which we obtained prior to the date of this auditor's report. It also includes other reports to be included in the Integrated Report which are expected to be made available after that date. The other information, does not include the consolidated and separate financial statements, the Corporate Governance Report and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate 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.

When we read the other reports which are expected to be made available to us after the date of the auditor's report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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.

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.

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe those matters in our auditor's report unless laws 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.

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte
Chartered Accountants

Jacques de C. Du Mée, ACA
Licensed by FRC

25 September 2017

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	THE GROUP 2017 Rs'000	THE GROUP 2016 (Restated) Rs'000	THE GROUP 2015 (Restated) Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	4	**23,631,857**	22,385,829	22,250,041	**993,307**	-
Investment properties	5	**395,950**	487,891	483,926	**145,400**	-
Intangible assets	6	**3,204,630**	3,118,692	2,374,760	**51,032**	-
Deferred tax assets	7	**241,304**	145,156	112,668	**58,907**	-
Bearer biological assets	8	**8,411**	13,779	12,446	**-**	-
Retirement benefit assets	22	**5,525**	-	7,378	**-**	-
Finance lease receivables	10	**398,198**	424,047	654,800	**-**	-
Investment in:						
- Subsidiaries	11	**-**	-	-	**17,843,383**	9,712,654
- Associated companies	12	**9,451,297**	8,677,478	9,183,333	**7,292,910**	4,834,943
- Joint ventures	13	**208,861**	162,985	81,285	**395,821**	257,000
- Other financial assets	14	**1,025,384**	1,183,822	1,133,398	**246,513**	94,604
		10,685,542	10,024,285	10,398,016	**25,778,627**	14,899,201
		38,571,417	36,599,679	36,294,035	**27,027,273**	14,899,201
CURRENT ASSETS						
Consumable biological assets	9	**31,998**	35,894	29,487	**-**	-
Finance lease receivables	10	**287,444**	417,998	429,784	**-**	-
Held to maturity investments	14	**40,000**	-	-	**-**	-
Inventories	15	**4,075,571**	4,212,720	3,766,826	**833,837**	-
Trade and other receivables	16	**8,243,541**	6,317,163	6,570,363	**3,328,871**	225,350
Tax assets	24	**34,111**	37,272	38,396	**-**	687
Notes issued	17	**242,400**	254,900	224,500	**-**	-
Cash and cash equivalents		**1,457,418**	1,592,862	1,798,054	**24,820**	8,111
		14,412,483	12,868,809	12,857,410	**4,187,528**	234,148
Assets classified as held for sale	18	**-**	1,647,436	21,300	**-**	577,625
TOTAL ASSETS		**52,983,900**	51,115,924	49,172,745	**31,214,801**	15,710,974

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

		THE GROUP			THE COMPANY	
	Notes	**2017**	2016 (Restated)	2015 (Restated)	**2017**	2016
		Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
EQUITY AND LIABILITIES						
Stated capital	19(a)	**1,361,941**	**897,883**	897,883	**1,361,941**	897,883
Restricted redeemable shares	19(b)	**5,000**	5,000	-	**5,000**	5,000
Revaluation and other reserves		**5,161,139**	5,179,854	4,874,993	**14,413,432**	7,765,721
Retained earnings		**9,895,970**	9,762,100	10,050,598	**5,624,908**	5,444,651
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**16,424,050**	15,844,837	15,823,474	**21,405,281**	14,113,255
NON CONTROLLING INTERESTS		**10,631,629**	10,248,309	10,271,344	**-**	-
TOTAL EQUITY		**27,055,679**	26,093,146	26,094,818	**21,405,281**	14,113,255
NON-CURRENT LIABILITIES						
Borrowings	20	**6,177,921**	6,229,888	6,352,460	**1,258,430**	484,000
Retirement benefit obligations	22	**1,742,039**	1,581,813	1,476,834	**765,028**	-
Government grants	25	**59,734**	73,217	10,703	**-**	-
Deferred tax liabilities	7	**1,108,036**	928,603	891,827	**-**	-
Other payables	21	**-**	20,000	10,000	**-**	-
		9,087,730	8,833,521	8,741,824	**2,023,458**	484,000
CURRENT LIABILITIES						
Borrowings	20	**8,193,254**	7,997,962	7,280,420	**6,060,445**	512,099
Trade and other payables	23	**8,522,323**	6,945,520	6,928,792	**1,720,720**	23,995
Dividend proposed	32	**-**	577,625	-	**-**	577,625
Government grants	25	**9,742**	6,627	-	**-**	-
Tax liabilities	24	**115,172**	135,930	126,891	**4,897**	-
		16,840,491	15,663,664	14,336,103	**7,786,062**	1,113,719
Liabilities associated with assets classified as held for sale	18	**-**	525,593	-	**-**	-
TOTAL EQUITY AND LIABILITIES		**52,983,900**	51,115,924	49,172,745	**31,214,801**	15,710,974

Approved by the Board of Directors and authorised for issue on 25 September 2017.

Jan Boullé
Chairman

Maxime Rey
Director

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	THE GROUP 2017 Rs'000	THE GROUP 2016 (Restated) Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
CONTINUING OPERATIONS					
Revenue	26	**33,842,689**	**30,996,394**	**5,261,436**	459,013
Cost of sales		**(23,626,456)**	(21,349,185)	**(3,452,894)**	-
Gross profit		**10,216,233**	9,647,209	**1,808,542**	459,013
Other income	28	**583,758**	526,422	**168,346**	-
Administrative expenses		**(8,136,080)**	(7,832,395)	**(1,225,766)**	(79,181)
Operating profit		**2,663,911**	2,341,236	**751,122**	379,832
Finance income	29	**20,749**	32,564	**113,457**	616
Finance costs	30	**(721,658)**	(708,121)	**(355,776)**	(60,229)
Exceptional items	31	**(155,036)**	(292,751)	**75,243**	(264,734)
Share of results of associated companies	12	**569,162**	534,397	**-**	-
Share of results of joint ventures	13	**55,896**	48,815	**-**	-
Profit before tax		**2,433,024**	1,956,140	**584,046**	55,485
Tax expense	24	**(406,507)**	(377,220)	**(5,360)**	(133)
Profit for the year from continuing operations		**2,026,517**	1,578,920	**578,686**	55,352

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

		THE GROUP		THE COMPANY	
	Notes	**2017**	2016 (Restated)	**2017**	2016
		Rs'000	Rs'000	**Rs'000**	Rs'000
DISCONTINUED OPERATIONS					
Loss for the year from discontinued operations	18	**-**	(5,386)	**-**	-
Profit for the year	27	**2,026,517**	1,573,534	**578,686**	55,352
Attributable to:					
- Owners of the Company		**1,113,864**	748,426	**578,686**	55,352
- Non-controlling interests		**912,653**	825,108	**-**	-
		2,026,517	1,573,534	**578,686**	55,352
Earnings per share (Rs)					
- From continuing and discontinued operations	42	**1.64**	1.49		
- From continuing operations	42	**1.64**	1.49		

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP		THE COMPANY	
	2017	2016 (Restated)	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year	**2,026,517**	**1,573,534**	**578,686**	55,352
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	**375,358**	11,597	**51,399**	-
Deferred tax on revaluation of land and buildings	**(82,152)**	-	**(8,738)**	-
Remeasurement of retirement benefits obligations	**(129,527)**	(66,936)	**(69,343)**	-
Deferred tax on remeasurement of retirement benefits obligations	**12,038**	20,828	**11,788**	-
	175,717	(34,511)	**(14,894)**	-
Items that may be reclassified subsequently to profit or loss				
Available for sale investments				
Increase in fair value of available for sale investments (Note (a))	**51,195**	147,516	**3,951,858**	642,983
Fair value adjustment realised on disposal	**(136,149)**	(5,069)	**(335,557)**	-
	(84,954)	142,447	**3,616,301**	642,983
Exchange differences on translating foreign operations	**(62,573)**	18,094	**-**	-
Deferred tax relating to components of other comprehensive income	**(13,045)**	-	**-**	-
Other movements in reserves	**(44,086)**	(5,903)	**-**	-
Other movements in reserves of associates	**8,119**	38,233	**-**	-
Total other comprehensive income	**(20,822)**	158,360	**3,601,407**	642,983
Total comprehensive income for the year	**2,005,695**	1,731,894	**4,180,093**	698,335

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP		THE COMPANY	
	2017	2016 (Restated)	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Attributable to:				
- Owners of the Company	**1,135,471**	797,031	**4,180,093**	698,335
- Non-controlling interests	**870,224**	934,863	**-**	-
	2,005,695	1,731,894	**4,180,093**	698,335
Total comprehensive income for the year analysed as follows:				
- Continuing operations	**2,005,695**	1,737,280	**4,180,093**	698,335
- Discontinued operations	**-**	(5,386)	**-**	-
	2,005,695	1,731,894	**4,180,093**	698,335

Note (a): The increase in fair value is analysed as follows:	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Subsidiaries (Note 11)	**-**	-	**2,757,186**	374,285
Associates (Note12)	**-**	-	**1,084,095**	106,880
Joint ventures (Note 13)	**-**	-	**98,771**	57,000
Other financial assets (Note 14)	**51,195**	147,516	**11,806**	104,818
	51,195	147,516	**3,951,858**	642,983

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	Stated capital	Restricted redeemable shares	Revaluation reserves	Currency translation reserves
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015				
- As previously stated	897,883	-	2,196,052	39,560
- Amalgamation adjustment	-	-	-	-
- As restated	897,883	-	2,196,052	39,560
Profit for the year	-	-	-	-
Other comprehensive (loss)/income for the year	-	-	(20,321)	28,337
Total comprehensive income for the year	-	-	(20,321)	28,337
Changes in percentage holding of subsidiaries	-	-	-	-
Other movements in reserves and retained earnings	-	-	(4,700)	(1,156)
Other movements in non controlling interests	-	-	-	-
Disposal of subsidiaries	-	-	-	-
Recycling of reserves following disposal/dilution of subsidiaries and associates	-	-	(507)	1,228
Share based payment (Note 40)	-	-	-	-
Shares issued to non controlling interests	-	-	-	-
Issue of redeemable shares	-	5,000	-	-
Dividends paid to non controlling interests	-	-	-	-
Dividends (Note 32)	-	-	-	-
At 30 June 2016	**897,883**	**5,000**	**2,170,524**	**67,969**
At 1 July 2016				
- As previously stated	897,883	5,000	2,170,524	67,969
- Amalgamation adjustment		-	-	-
- As restated	897,883	5,000	2,170,524	67,969
Profit for the year	-	-	-	-
Other comprehensive (loss)/income for the year	-	-	281,194	(76,243)
Total comprehensive income for the year	-	-	281,194	(76,243)
Changes in percentage holding of subsidiaries	-	-	-	-
Recycling of reserves following disposal of property	-	-	(76,712)	-
Other movements in reserves and retained earnings	-	-	(6,536)	4,333
Other movements in reserves and non controlling interests	-	-	(170,089)	-
Share based payment (Note 40)	-	-	-	-
Shares issued to non controlling interests	-	-	-	-
Dividends paid to non controlling interests	-	-	-	-
Dividends (Note 32)	-	-	-	-
Issue of shares	464,058	-	-	-
At 30 June 2017	**1,361,941**	**5,000**	**2,198,381**	**(3,941)**

Note (a): Other reserves include profits transferred from retained earnings for appropriation purpose, cash flow hedge movement, share based payment movement as well as reserve adjustments following changes in shareholding of subsidiaries without loss of control.

ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Fair value reserves	(Note (a)) Other reserves	Capital contribution reserve	Retained earnings	Total	Non controlling interests	Total equity
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(83,465)	259,873	-	10,050,598	13,360,501	12,734,317	26,094,818
-	-	2,462,973		2,462,973	(2,462,973)	-
(83,465)	259,873	2,462,973	10,050,598	15,823,474	10,271,344	26,094,818
-	-	219,468	528,958	748,426	825,108	1,573,534
111,996	(3,082)	(43,172)	(25,153)	48,605	109,755	158,360
111,996	(3,082)	176,296	503,805	797,031	934,863	1,731,894
-	(19,501)	-	805	(18,696)	(525,901)	(544,597)
1,700	(18,788)	-	14,643	(8,301)	5,729	(2,572)
-	-	-	-	-	17,839	17,839
-	-	-	-	-	(5,029)	(5,029)
(2)	52,045	-	(53,882)	(1,118)	1,118	-
-	1,316	-	-	1,316	2,030	3,346
-	-	-	-	-	39,427	39,427
-	-	-	-	5,000	-	5,000
-	-	-	-	-	(493,111)	(493,111)
-	-	-	(753,869)	(753,869)	-	(753,869)
30,229	**271,863**	**2,639,269**	**9,762,100**	**15,844,837**	**10,248,309**	**26,093,146**
30,229	271,863	-	9,762,100	13,205,568	12,887,578	26,093,146
		2,639,269	-	2,639,269	(2,639,269)	-
30,229	271,863	2,639,269	9,762,100	15,844,837	10,248,309	26,093,146
-	-	-	1,113,864	1,113,864	912,653	2,026,517
(64,404)	(6,094)	-	(112,846)	21,607	(42,429)	(20,822)
(64,404)	(6,094)	-	1,001,018	1,135,471	870,224	2,005,695
-	-	-	(10,456)	(10,456)	(23,350)	(33,806)
-	-	-	76,712	-	-	-
52	-	-	43,644	41,493	(41,493)	-
1,926	353,172	207,176	(534,902)	(142,717)	52,571	(90,146)
-	(2,432)	-	-	(2,432)	(3,761)	(6,193)
-	-	-	-	-	11,863	11,863
-	-	-	-	-	(482,734)	(482,734)
-	-	-	(442,146)	(442,146)	-	(442,146)
-	-	(464,058)	-	-	-	-
(32,197)	**616,509**	**2,382,387**	**9,895,970**	**16,424,050**	**10,631,629**	**27,055,679**

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

THE COMPANY	Stated capital	Restricted redeemable shares	Fair value reserve	Revaluation reserves
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	897,883	-	7,122,738	-
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	642,983	-
Total comprehensive income for the year	-	-	642,983	-
Issue of redeemable shares	-	5,000	-	-
Dividend (Note 32)	-	-	-	-
At 30 June 2016	897,883	5,000	7,765,721	-
At 1 July 2016	897,883	5,000	7,765,721	-
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	3,616,301	42,661
Total comprehensive income for the year	-	-	3,616,301	42,661
Issue of shares	464,058	-	-	-
Amalgamation adjustment (Note 43)	-	-	(3,383,413)	988,410
Movement in reserves	-	-	-	-
Dividend (Note 32)	-	-	-	-
At 30 June 2017	**1,361,941**	**5,000**	**7,998,609**	**1,031,071**

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

Translation reserve	Capital contribution reserve	Retained earnings	Total
Rs'000	Rs'000	Rs'000	Rs'000
-	-	6,143,168	14,163,789
-	-	55,352	55,352
-	-	-	642,983
-	-	55,352	698,335
-	-	-	5,000
-	-	(753,869)	(753,869)
-	-	5,444,651	14,113,255
-	-	5,444,651	14,113,255
-	-	578,686	578,686
-	-	(57,555)	3,601,407
-	-	521,131	4,180,093
-	(464,058)	-	-
38,969	5,847,810	62,302	3,554,078
(38,969)	-	38,969	-
-	-	(442,145)	(442,145)
-	**5,383,752**	**5,624,908**	**21,405,281**

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES				
Profit before tax from continuing operations	**2,433,024**	1,956,140	**584,046**	55,485
Loss before tax from discontinued operations	**-**	(5,270)	**-**	-
	2,433,024	1,950,870	**584,046**	55,485
Adjustments for:				
Share of profits from associated companies	**(569,162)**	(534,397)	**-**	-
Share of profits from joint ventures	**(55,896)**	(48,815)	**-**	
Depreciation of property, plant and equipment	**1,588,539**	1,553,816	**79,798**	-
Assets written off	**19,186**	2,806	**17**	-
Profit on disposal of property, plant and equipment and intangible assets	**(164,089)**	(4,000)	**(130)**	-
Amortisation of intangible assets	**80,428**	46,222	**11,414**	-
Amortisation of grants	**(10,309)**	(4,105)	**-**	-
Impairment of goodwill	**123,978**	47,910	**-**	-
(Profit)/loss on disposal of investments	**(2,479)**	2,583	**-**	(234)
Gain on disposal of associated companies	**(90,260)**	(25,379)	**(347,228)**	-
Gain on disposal of subsidiaries	**-**	(1,140)	**-**	-
Impairment loss on investments	**21,091**	289,362	**271,985**	543,225
Exchange differences	**(11,318)**	(14,798)	**-**	-
Share based payment	**(6,193)**	21,427	**-**	-
Dividend income	**(45)**	(14,438)	**-**	-
Interest income	**(20,749)**	(32,564)	**(113,457)**	(616)
Interest expense	**721,658**	709,814	**355,776**	60,229
Movement in retirement benefits obligations	**26,992**	46,197	**(17,945)**	-
Profit on deemed disposal of associated companies resulting from dilution	**-**	(20,458)	**-**	-
Amortisation of biological assets	**2,217**	3,439	**-**	-
Impairment adjustment of biological assets	**6,915**	(380)	**-**	-
Fair value movement on consumable biological assets	**8,091**	537	**-**	-
Fair value of investment property	**72,395**	(33,205)	**-**	-
Dividend received in specie	**-**	(185)	**-**	(310,324)
	4,174,014	3,941,119	**824,276**	347,765
Working capital adjustments:				
Movement in consumable biological assets	**(4,195)**	(6,944)	**-**	-
Net investment in finance leases	**156,403**	242,539	**-**	-
Movement in inventories	**192,767**	(397,495)	**17,095**	-
Movement in trade and other receivables	**(1,926,040)**	392,701	**(649,672)**	58,940
Movement in trade and other payables	**1,554,908**	(291,434)	**273,549**	(19,891)
CASH GENERATED FROM OPERATIONS	**4,147,857**	3,880,486	**465,248**	386,814
Interest paid	**(721,658)**	(709,814)	**(355,776)**	(50,613)
Tax paid	**(426,347)**	(331,118)	**(35,647)**	(49)
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,999,852**	2,839,554	**73,825**	336,152

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,999,852**	2,839,554	**73,825**	336,152
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment, investment property and intangible assets	**1,439,507**	67,370	**6,339**	-
Proceeds from sale of investments	**161,254**	138,814	**147,679**	7,761
Purchase of property, plant and equipment	**(2,758,640)**	(2,049,212)	**(66,409)**	-
Purchase of intangible assets	**(300,283)**	(39,667)	**(7,660)**	-
Acquisition of investments	**(672,306)**	(789,017)	**(1,553,426)**	(10,041)
Purchase of investment properties	**-**	(1,918)	**-**	-
Movement in notes issued	**12,500**	(30,400)	**-**	-
Expenditure on bearer biological assets	**(3,764)**	(4,392)	**-**	-
Proceeds from disposal of assets held for sale	**-**	21,300	**-**	-
Net cash outflow on acquisition of subsidiaries (Note 37(a))	**(3,500)**	(715,848)	**-**	-
Net cash inflow on disposal of subsidiaries (Note 37(b))	**-**	5,623	**-**	-
Net cash inflow on amalgamation (Note 43)	**-**	-	**(3,607,158)**	-
Dividend received from associated companies and joint ventures	**323,791**	320,750	**-**	-
Dividend received	**45**	14,438	**-**	-
Interest received	**20,749**	32,564	**113,457**	616
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(1,780,647)**	(3,029,595)	**(4,967,178)**	(1,664)
FINANCING ACTIVITIES				
Issue of redeemable shares	**(489,723)**	5,000	**-**	5,000
Net movement in borrowings	**(163,251)**	758,676	**1,180,394**	(223,000)
Movement in deposits from customers	**11,863**	(711,724)	**-**	-
Shares issued to non controlling shareholders	**(482,734)**	39,427	**-**	-
Dividend paid to non controlling shareholders	**(442,146)**	(485,901)	**-**	-
Dividend paid to owners of the Company	**-**	(176,244)	**(442,146)**	(176,244)
NET CASH FLOW (USED IN) / GENERATED FROM FINANCING ACTIVITIES	**(1,565,991)**	(570,766)	**738,248**	(394,244)
DECREASE IN CASH AND CASH EQUIVALENTS	**(346,786)**	(760,807)	**(4,155,105)**	(59,756)
CASH AND CASH EQUIVALENTS AS AT 1 JULY	**(3,275,401)**	(2,514,594)	**(33,988)**	25,768
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	**(3,622,187)**	(3,275,401)	**(4,189,093)**	(33,988)
Represented by :				
Cash in hand and at bank	**1,457,418**	1,592,862	**24,820**	8,111
Bank overdrafts (Note 20)	**(5,079,605)**	(4,868,263)	**(4,213,913)**	(42,099)
	(3,622,187)	(3,275,401)	**(4,189,093)**	(33,988)

The accounting policies set out on pages 202 to 221 and the notes on pages 223 to 315 form an integral part of these financial statements.
The auditor's report is on pages 182 to 188.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. CORPORATE INFORMATION

IBL Ltd (the "Company") is a public company incorporated in Mauritius and its main activity is that of investment holding. Its registered office and principal place of business is situated on the 4th, Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius.

On 14 June 2016, the Shareholders have approved the amalgamation of Ireland Blyth Limited with and into GML Investissement Ltée and the amalgamating company was renamed IBL Ltd.

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that were relevant to the Group and the Company's operations and effective for accounting periods beginning on 1 July 2016.

New and revised IFRSs applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments resulting from the disclosure initiative
IAS 16	Property, Plant and Equipment – Amendments regarding the clarification of acceptable methods of depreciation and amortisation
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16
IAS 19	Employee Benefits – Amendments resulting from September 2014 Annual Improvements to IFRSs
IAS 27	Separate Financial Statements (as amended in 2011) – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements
IAS 28	Investments in Associates and Joint Ventures – Amendments regarding the application of the consolidation exception
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from September 2014 Annual Improvements to IFRSs
IFRS 7	Financial Instruments: Disclosures – Amendments resulting from September 2014 Annual Improvements to IFRSs
IFRS 10	Consolidated Financial Statements – Amendments regarding the sale and contribution of assets between an investor and its associate or joint venture
IFRS 10	Consolidated Financial Statements – Amendments regarding the application of the consolidation exception
IFRS 11	Joint Arrangements – Amendments regarding the accounting for acquisitions of an interest in a joint operation
IFRS 12	Disclosures of Interests in Other Entities – Amendments regarding the application of the consolidation exception
IFRS 14	Regulatory Deferral Accounts – Original issue

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRS and IFRICs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 7	Statement of Cash Flows – Amendments as result of the Disclosure initiative (effective 1 January 2017)
IAS 12	Income Taxes – Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017)
IAS 28	Investment in Associates and Joint Ventures - Amendments by Annual Improvements to IFRS Standards 2014-2016 Cycle (Measuring an associate or joint venture at fair value) (effective 1 January 2018)

2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

New and revised IFRSs and IFRICs in issue but not yet effective (Cont'd)

IAS 28	Investments in Associates and Joint Ventures – Amendments regarding the sale or contribution between an investor and its associates or joint ventures (deferred indefinitely)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own case' scope exception (applies when IFRS 9 is applied)
IFRS 2	Share-based Payment – Amendments to clarify the classification and measurement of share-based payment transactions (effective 1 January 2018)
IFRS 4	Insurance Contracts – Amendments regarding the interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 9	Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9 – (effective 1 January 2018)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition of financial assets and financial liabilities (effective 1 January 2018)
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely)
IFRS 12	Disclosure of Interests in Other Entities - Amended by Annual Improvements to IFRS Standards 2014 - 2016 Cycle (Clarification of the scope of the Standard) (effective 1 January 2017)
IFRS 15	Revenue from contracts with customers – Original issue (effective 1 January 2018)
IFRS 15	Revenue from contracts with customers – Clarifications to IFRS 15 (effective 1 January 2018)
IFRS 16	Leases – Original issue (effective 1 January 2019)
IFRS 17	Insurance Contracts – Original issue (effective 1 January 2021)
IFRIC 22	Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)
IFRIC 23	Uncertainty over Income Tax Treatments (effective 1 January 2019)

The directors anticipate that these IFRSs will be applied on their effective dates in the Group's and the Company's financial statements in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for:

- land and buildings which are carried at revalued amounts;
- investment properties which are carried at fair value;
- available for sale investments which are stated at fair value;
- biological assets except for bearer plants which are stated at fair value less estimated point of sale costs.

The financial statements of the Company and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(a) Basis of preparation (Cont'd)

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000) except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30 each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other of the Group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (Cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Business combinations

Acquisition method

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, (at the date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Contingent consideration that is classified as an asset or liability is remeasured at subsequently reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities* and *Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

(c) Business combinations (Cont'd)

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 the results in the non-controlling interests have a deficit balance.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Business combination under common control
A business combination involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination is considered as business combination under common control.

In case of any acquisitions which meet the criteria of business combinations under common control the assets and liabilities are recorded at their previous carrying values and the difference between the purchase consideration and share of net assets transferred are accounted for as an adjustment to equity as common control reserve in the retained earnings.

(d) Investment in subsidiaries

In the Company's financial statements, investments in subsidiary companies are carried at fair value. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is recognised in profit or loss.

(e) Investment in associates

Associated companies are entities in which the Company or the Group has significant influence but which are neither a subsidiary nor a joint venture of the Company or the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Financial statements of the Company
Investments in associates are carried at fair value. Gains and losses on fair valuation of associates are recognised directly in equity. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is recognised in profit or loss.

Consolidated financial statements
The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at initially cost and adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment in associates (Cont'd)

Consolidated financial statements (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date of equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

The accounting policies of the associates are in line with those used by the Group.

(f) Foreign currency translation

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated into Mauritian rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (Group's translation reserve), and attributed to non-controlling interests as appropriate.

On the disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e partial disposals of the associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

Any revaluation surplus is credited in other comprehensive income and accumulated in equity to the property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss to the extent of the decrease previously charged. A revaluation deficit is recognised in profit or loss, to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

An annual transfer from the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

On the subsequent sale or retirement of a revalued property, the revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

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

Buildings — 1% - 10% p.a.
Plant and equipment — 1% - 33.3% p.a.
Motor vehicles — 6.7% - 25% p.a.
Office furniture and equipment — 5% - 33.3% p.a.
Computer and security equipment — 14.3% - 50% p.a.
Containers — 10% - 20% p.a.

Land and assets in progress are not depreciated.

Asset held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Intangible assets

(i) Goodwill

Goodwill arising in a business combination is recognised as an asset at cost as established at the date that control is acquired (the acquisition date) less any accumulated impairment losses, if any. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the related amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate is described in note 2B(e) above.

(ii) Other intangible assets

Other intangible assets include trademarks and computer software. Intangible assets acquired separately are measured on initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are recognised as expenses in the period in which they are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets excluding leasehold rights are amortised over a period of 2 to 10 years. Leasehold rights are amortised over the period of the leases.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses, arising from derecognition of an intangible asset, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of non-financial assets excluding goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

(k) Financial assets

Financial assets are classified as "financial assets at fair value through profit or loss" ("FVTPL"), "loans and receivables", "held-to-maturity investments", or "available-for-sale financial assets" ("AFS"), as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial assets (Cont'd)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount. The trade receivables are written off when they are identified as being irrecoverable.

Held to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Available for sale financial assets (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or held-to-maturity investments or financial assets at fair value through profit or loss.

Unlisted shares and listed securities held by the Group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 36. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial assets (Cont'd)

Available for sale financial assets (AFS) (Cont'd)
The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income and accumulated in equity.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Derivatives financial instruments
The Group uses derivatives such as forward foreign exchange contracts, cross currency swaps and options on foreign currencies, commodities and equities. The classification of derivatives at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at each reporting date. They are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives held for trading are included in 'Net trading income'.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments are treated as separate derivatives if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through profit or loss. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in profit or loss.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

(l) Impairment of financial assets

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets classified as AFS, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment of financial assets (Cont'd)

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

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

(m) Reclassification of financial assets

Effective from 1 July 2008, the Group may reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. From this date it may also reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost.

The Group may reclassify a non-derivative trading asset out of the Held-for-trading category and into the Loans and receivables category if it meets the definition of loans and receivables and the Group has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the effective interest rate from the date of the change in estimate.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to profit or loss.

Reclassification is at the election of management, and is determined on an instrument-by-instrument basis. The Group does not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

(n) Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits or deposits with an original maturity of three months or less net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

(p) Accounts payable

Accounts payable are stated at amortised cost.

(q) Equity instruments

Equity instruments are recognised at the proceeds received, net of direct issue costs.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Derecognition of financial assets and liabilities

Financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(s) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Purchase cost is calculated on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee
Assets held under finance leases are recognised as assets of the Group at their value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessee is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Leases (Cont'd)

The Group as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(v) Taxation

The income tax expense represents the current tax provision and the movement in deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax
Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, tax losses carried forward and on retirement benefit obligations.

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recorded if the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(w) Retirement benefit obligations

Defined contributions schemes
Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Defined benefits schemes
Actuarial valuations are carried out at each reporting date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses. Curtailment gains and losses are accounted for as past service costs.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Retirement benefit obligations (Cont'd)

The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Other retirement benefits
The present value of other retirement benefits as provided under The Employment Rights Act 2008 is recognised in the statement of financial position as a non-current liability and is not funded. The recognition and presentation of the components of the retirement gratuities are similar to the defined benefit plan (as above).

State plan
Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

(x) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods and rendering of services
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is net of value added tax, discounts and excludes inter-company charges and dividends.

Other revenues
Other revenues earned are recognised on the following basis:
Interest income - as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

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

Rental income, management fee and commission receivable
Rental income, management fee and commission receivable are recognised on an accrual basis.

Construction contracts
Revenue and costs from construction contracts, the outcome of which can be reliably estimated, are recognised by the percentage of completion method. The stage of completion of a contract is determined by surveys of work performed. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of construction contracts is uncertain, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable on contracts. Contract costs are recognised as expenses in the period in which they are incurred. Revenue is recognised net of Value Added Tax and discounts but gross of tax deducted at source.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Revenue recognition (Cont'd)

Insurance contracts and insurance premiums
Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance premiums from general insurance business are recognised on a pro-rata basis over the terms of the policy coverage. Life Insurance premiums are recognised on a received basis.

(y) Biological assets

(i) Bearer biological assets
Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually seven years.

(ii) Consumable biological assets
Consumable biological assets represent standing cane and plants and are stated at fair value. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate.

(z) Related parties

Related parties include individuals and companies where the individual or company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Affiliates are related parties of the company which cannot be considered as parent or subsidiary as defined by IAS 27, as associate and joint venture as defined by IAS 28, or as key management personnel as defined by IAS 24.

(aa) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(ab) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(ac) Interest in joint ventures

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The Group recognises its interest in the joint venture using the equity method.

Under the equity method, the interest in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ad) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(ae) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
The Group currently has only cash flow hedges which are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

(af) Share based payment

Executives of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(af) Share based payment (Cont'd)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(ag) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(ah) Comparative figures

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Judgements

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency of the group entities

As described in note 2(B)(f), the determination of the functional currency of each group entity is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the directors have considered the currencies in which revenue is received, the currency of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors have determined that the functional currency of the Company as well as that of most subsidiaries is the Mauritian rupee, except for the foreign subsidiaries.

Classification as subsidiaries

The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries. The remaining ownership interests of these entities, where most of them are listed on the Stock Exchange of Mauritius, are held by several widely dispersed shareholders not related to the Group. The directors have assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities. In making their judgement, the directors considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

With respect to one of the subsidiaries where the Company has less than 50% shareholding and thus voting rights, based on the contractual arrangements between the Company and the other investors, the Company has the power to appoint and remove the majority of the board of directors that has the power to direct the relevant activities of the entity. Therefore, the directors concluded that the Company has the practical ability to direct the relevant activities and thus has control over the entity.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

Property, plant and equipment: estimations of the useful lives and residual value of the assets

The Group makes significant estimates to determine the useful lives and residual value of its property, plant and equipment. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Property valuation

The Group measures land and buildings and investment properties at fair value based on periodic valuations by external independent valuers and as estimated by the directors based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors consider they have used their best estimates to arrive at fair value of the properties.

Valuation of biological assets

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. Standing cane and plants valuation has been arrived based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value:

The actual results could differ from the related accounting estimates and the directors consider they have used their best estimates to arrive at the value of the biological assets.

Fair value of unquoted investments

Where there is no active market, the fair value of unquoted investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions (Cont'd)

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

Provision for impairment of finance lease receivables

The calculation of specific provision for impairment of finance lease receivables requires management to estimate the recoverable amount for each impaired asset, which is the estimated future cash flows discounted at the original effective interest rate of the lease where cash flows for large credits include the realisable value of collateral securing the credit, the value such collateral is based on the opinion of independent and qualified appraisers and/or management judgement.

The portfolio provision is estimated based upon historical patterns of losses in each component of the portfolio of lease as well as management estimate of the impact of current economic and other relevant conditions on the recoverability of the lease portfolio.

Impairment losses on loans and advances

When applying the equity accounting in one of the associated companies, the Group has recognised a share of the impairment losses on loans and advances for an amount of Rs524 million and Rs251 million as part of the investment in associates and share of results of associates at 30 June 2017 respectively.

The associated company reviews the individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statements of profit or loss and other comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the company make judgements about the borrower's financial situation and the net realisable value of collaterals. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilisation, loan-to-collateral ratios, etc.), and judgements on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION								
At 1 July 2015	17,567,092	8,994,851	1,230,010	2,371,152	451,780	995,385	196,805	31,807,075
Opening balance of subsidiaries acquired (Note 37(a))	343,641	181,389	8,896	7,438	312	-	-	541,676
Adjustments	2,468	14,033	-	2,691	1,267	-	-	20,459
Additions	355,272	439,822	177,833	178,911	34,069	65,363	963,085	2,214,355
Transfer to assets classified as held for sale (Note 18)	(1,069,872)	-	-	-	-	-	-	(1,069,872)
Disposals	(4,125)	(208,207)	(107,853)	(101,047)	(7,307)	-	-	(428,539)
Write offs	-	(154,133)	-	(152,130)	(57,064)	-	-	(363,327)
Revaluation surplus	11,597	-	-	-	-	-	-	11,597
Transfer to investment properties (Note 5)	(1,608)	-	-	-	-	-	-	(1,608)
Transfer to intangible assets (Note 6)	-	-	-	-	(4,697)	-	-	(4,697)
Transfer from assets in progress	24,272	4,107	(3,971)	-	-	-	(24,408)	-
Disposal of subsidiaries (Note 37(b))	(3,472)	-	(5,712)	(3,958)	(810)	-		(13,952)
Exchange differences	39,415	6,712	(728)	2,823	840	-	(1,455)	47,607
At 30 June 2016	**17,264,680**	**9,278,574**	**1,298,475**	**2,305,880**	**418,390**	**1,060,748**	**1,134,027**	**32,760,774**
At 1 July 2016	17,264,680	9,278,574	1,298,475	2,305,880	418,390	1,060,748	1,134,027	32,760,774
Adjustments	(61,276)	96,225	20,576	(1,616)	7,385	-	-	61,294
Reclassification	(576,148)	390,867	-	(64,107)	249,388	-	-	-
Additions	518,549	752,413	221,761	206,054	80,647	12,090	995,449	2,786,963
Disposals	(8,484)	(479,393)	(156,233)	(153,996)	(24,537)	(270)	-	(822,913)
Write offs	(15,605)	(121,771)	(7,255)	(68,584)	(17,498)	-	-	(230,713)
Revaluation adjustments	(478,725)	-	-	-	-	-	-	(478,725)
Transfer from investment properties (Note 5)	26,092	-	-	-	-	-	-	26,092
Transfer to intangible assets (Note 6)	-	(13,152)	-	-	(564)	-	-	(13,716)
Transfer to inventories	-	(61,169)	-	-	-	-	-	(61,169)
Transfer from assets in progress	1,447,876	197,496	-	1,917	-	-	(1,647,289)	-
Exchange differences	(53,506)	(28,659)	(882)	(3,503)	(841)	-	(6,620)	(94,011)
At 30 June 2017	**18,063,453**	**10,011,431**	**1,376,442**	**2,222,045**	**712,370**	**1,072,568**	**475,567**	**33,933,876**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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

THE GROUP	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
DEPRECIATION								
At 1 July 2015	581,489	5,450,636	709,865	1,651,716	378,108	785,220	-	9,557,034
Adjustments	2,468	14,033	-	2,691	1,267	-	-	20,459
Charge for the year	369,314	710,312	150,269	206,109	34,436	83,376	-	1,553,816
Disposals	(116)	(171,312)	(87,799)	(99,967)	(6,001)	-	-	(365,195)
Write offs	-	(153,259)	-	(152,015)	(57,028)	-	-	(362,302)
Transfer to intangible assets (Note 6)	-	-	-	-	(1,354)	-	-	(1,354)
Transfer to assets classified as held for sale (Note 18)	(32,827)	-	-	-	-	-	-	(32,827)
Disposal of subsidiaries (Note 37(b))	(697)	-	(2,654)	(789)	(646)	-	-	(4,786)
Exchange differences	2,192	7,515	(467)	492	368	-	-	10,100
At 30 June 2016	921,823	5,857,925	769,214	1,608,237	349,150	868,596	-	10,374,945
At 1 July 2016	921,823	5,857,925	769,214	1,608,237	349,150	868,596	-	10,374,945
Adjustments	(8,618)	63,343	(4,558)	7,151	3,976	-	-	61,294
Charge for the year	395,979	726,638	156,566	179,475	58,900	70,981	-	1,588,539
Disposals	(12,825)	(346,407)	(106,258)	(129,129)	(23,082)	(140)	-	(617,841)
Write offs	(3,178)	(121,525)	(5,965)	(66,569)	(17,505)	-	-	(214,742)
Reclassification	(36,504)	26,936	-	(163,927)	173,495	-	-	-
Transfer to intangible assets (Note 6)	-	(6,576)	-	-	(352)	-	-	(6,928)
Transfer to inventories	-	(5,551)	-	-	-	-	-	(5,551)
Revaluation adjustment	(854,083)	-	-	-	-	-	-	(854,083)
Exchange differences	(5,430)	(14,584)	(1,554)	(1,484)	(562)	-	-	(23,614)
At 30 June 2017	397,164	6,180,199	807,445	1,433,754	544,020	939,437	-	10,302,019
NET BOOK VALUE								
At 30 June 2017	17,666,289	3,831,232	568,997	788,291	168,350	133,131	475,567	23,631,857
At 30 June 2016	16,342,857	3,420,649	529,261	697,643	69,240	192,152	1,134,027	22,385,829

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

THE COMPANY	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST/VALUATION						
At 1 July 2016	-	-	-	-	-	-
Amalgamation adjustments (Note 43)	1,607,267	168,932	89,849	242,368	115,903	2,224,319
Adjustments	(3)	(1,094)	(14,492)	(6,398)	(791)	(22,778)
Additions	783	2,675	13,890	25,338	23,723	66,409
Disposals	(833,865)	(625)	(8,953)	(5,031)	(3,891)	(852,365)
Write offs	-	(1,468)	(1,135)	(16,582)	(8,051)	(27,236)
Revaluation adjustments	37,020	-	-	-	-	37,020
Transfer from investment properties (Note 5)	54,800	-	-	-	-	54,800
At 30 June 2017	866,002	168,420	79,159	239,695	126,893	1,480,169
DEPRECIATION						
At 1 July 2016	-	-	-	-	-	-
Amalgamation adjustments (Note 43)	55,599	90,917	67,618	206,240	89,620	509,994
Adjustments	(3)	(1,094)	(14,492)	(6,398)	(791)	(22,778)
Charge for the year	17,451	29,755	6,685	13,887	12,020	79,798
Disposals	(22,074)	-	(8,102)	(5,019)	(3,359)	(38,554)
Write offs	-	(1,468)	(1,135)	(16,582)	(8,034)	(27,219)
Revaluation adjustments	(14,379)	-	-	-	-	(14,379)
At 30 June 2017	36,594	118,110	50,574	192,128	89,456	486,862
NET BOOK VALUE						
At 30 June 2017	829,408	50,310	28,585	47,567	37,437	993,307

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

(a) Assets held under finance leases

Included in property, plant and equipment are assets held under finance leases with the following carrying values:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Net book value				
Plant and equipment	**64,175**	95,140	**-**	-
Motor vehicles	**35,221**	64,986	**20,638**	-
Computer and security equipment	**9,127**	6,302	**-**	-
	108,523	166,428	**20,638**	-

The Group's and the Company's obligations under finance leases are secured by the lessors' title to the leased assets.

(b) Historical costs of revalued land and buildings

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Cost	**11,349,049**	9,707,580	**223,363**	-
Accumulated depreciation	**(2,497,383)**	(2,240,113)	**(149,093)**	-
Net book value	**8,851,666**	7,467,467	**74,270**	-

The land and buildings were revalued by the directors based on the reports of accredited independent valuers namely Société d'Hotman de Speville, Noor Dilmahomed & Associates, Gexim Real Estate Ltd. These revaluations were done between 2013 and 2017 in accordance with the "RICS Valuation standards".

The fair value of the land and buildings have been assessed on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account the current market conditions and similar transactions undertaken by the group in recent years. In arriving at the market value, the sales comparison approach has been used for the land, which is based on recent transactions for similiar properties, and the depreciated replacement cost approach has been used for the buildings which estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors. Certain land and buildings have been fair valued using the income approach by reference to the capitalisation rate on net operating income.

The significant inputs include the estimated contruction costs and capitalisation rates. An increase in the estimated construction costs will result in an increase in the fair value of the buildings while an increase in the capitalisation rate will result in a decrease in the fair value of the properties and vice versa.

The directors have estimated that the carrying values of land and buildings approximate their fair values at 30 June 2016 and 2017.

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

(c) Borrowings are secured by fixed and floating charges on the property, plant and equipment of the Group and the Company.

(d) Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2017				
Land and buildings	**-**	**3,649,256**	**14,015,450**	**17,664,706**
2016				
Land and buildings	-	3,191,549	13,149,640	16,341,189
THE COMPANY				
2017				
Land and buildings	**-**	**829,408**	**-**	**829,408**
2016				
Land and buildings	-	-	-	-

(e) Additions during the year include assets acquired under finance leases amounting to Rs28,322,846 (2016: Rs90,821,000) and also include assets financed by grants amounting to Rs Nil (2016: Rs74,322,000).

(f) Borrowings costs capitalised during the year with respect to the renovation of Lux Maldives amounted to Rs0.9 million (2016: Rs17.3 million).

5. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**487,891**	483,926	**-**	-
Amalgamation adjustments (Note 43)	**-**	-	**200,200**	-
Additions	**6,546**	1,918	**-**	-
Transfer (to)/from property, plant and equipment (Note 4)	**(26,092)**	1,608	**(54,800)**	-
Transfer to assets classified as held for sale (Note 18)	**-**	(32,766)	**-**	-
(Loss)/gain on revaluation of investment properties	**(72,395)**	33,205	**-**	-
At 30 June	**395,950**	487,891	**145,400**	-
Rental income	**35,132**	11,800	**25,485**	-
Direct operating expenses	**1,174**	800	**1,174**	-

5. INVESTMENT PROPERTIES (CONT'D)

The investment properties are stated at fair value which has been determined by directors, based on valuations performed by accredited independent valuers, namely Société d'Hotman de Speville, Broll Indian Ocean Ltd and Gexim Real Estate Ltd. These valuers are specialists in valuing these types of investment properties and the revaluations were done at 30 June 2017. The fair value is determined on open market value by reference to market evidence of transaction prices for similar properties, the residual method of valuation as well as the capitalisation of net income method. The revaluations were based on market economic conditions and active market prices existing at the reporting date, adjusted for any difference in the nature, location or condition of the specific property. Where the net income method is used, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The significant inputs used are the discounte rate used on estimated development costs and the capitalisation rates which is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the directors' knowledge of the factors specific to the respective properties. An increase in the capitalisation rate will result in a decrease in the fair value of properties.

The directors have assessed the fair value of the investment properties and have estimated that their carrying values approximate their fair value as at 30 June 2016 and 2017.

Banking facilities of some subsidiaries have been secured by charges on their investment properties.

Details of the Group's and the Company's investment properties measured at fair value and information about the fair value hierarchy as at 30 June 2016 and 2017 are as follows:

	Level 1	Level 2	Level 3	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2017				
Investment properties	**-**	**129,400**	**266,550**	**395,950**
2016				
Investment properties	-	200,826	287,065	487,891
THE COMPANY				
2017				
Investment properties	**-**	**-**	**145,400**	**145,400**

6. INTANGIBLE ASSETS

THE GROUP	Goodwill	Others	Total
	Rs'000	**Rs'000**	**Rs'000**
COST			
At 1 July 2015	1,866,787	1,244,718	3,111,505
Opening balance of subsidiaries acquired (Note 37(a))	42,440	1,116	43,556
Acquisition of subsidiaries (Note 37(a))	756,620	-	756,620
Transfer from property, plant and equipment (Note 4)	-	4,697	4,697
Work in progress	-	4,565	4,565
Additions	-	35,102	35,102
Disposal of subsidiary (Note 37(b))	-	(1,195)	(1,195)
Impairment loss	(26,422)	-	(26,422)
Write offs	-	(8,783)	(8,783)
Disposals	-	(1,816)	(1,816)
Exchange differences	(4,922)	3,103	(1,819)
At 30 June 2016	**2,634,503**	**1,281,507**	**3,916,010**

6. INTANGIBLE ASSETS (CONT'D)

THE GROUP	Goodwill	Others	Total
	Rs'000	Rs'000	Rs'000
COST			
Acquisition of subsidiaries (Note 37(a))	3,550	-	3,550
Transfer from property, plant and equipment (Note 4)	-	13,716	13,716
Additions	-	300,283	300,283
Impairment loss	(123,978)	-	(123,978)
Write offs	-	(21,557)	(21,557)
Disposals	-	(5,006)	(5,006)
Exchange differences	(11,182)	(7,349)	(18,531)
At 30 June 2017	**2,502,893**	**1,561,594**	**4,064,487**

	Goodwill	Others	Total
	Rs'000	Rs'000	Rs'000
AMORTISATION / IMPAIRMENT			
At 1 July 2015	190,692	546,053	736,745
Charge for the year	-	46,222	46,222
Write offs	-	(7,002)	(7,002)
Transfer from property, plant and equipment (Note 4)	-	1,354	1,354
Disposals	-	(1,790)	(1,790)
Disposal of subsidiary (Note 37(b))	-	(1,174)	(1,174)
Impairment loss	21,488	-	21,488
Difference on exchange	-	1,475	1,475
At 30 June 2016	**212,180**	**585,138**	**797,318**
At 1 July 2016	212,180	585,138	797,318
Charge for the year	-	80,428	80,428
Write off	-	(18,342)	(18,342)
Transfer from property, plant and equipment (Note 4)	-	6,928	6,928
Disposals	-	(4,471)	(4,471)
Difference on exchange	-	(2,004)	(2,004)
At 30 June 2017	**212,180**	**647,677**	**859,857**
NET BOOK VALUE			
At 30 June 2017	**2,290,713**	**913,917**	**3,204,630**
At 30 June 2016	2,422,323	696,369	3,118,692

6. INTANGIBLE ASSETS (CONT'D)

THE COMPANY

Computer software	2017 Rs'000
COST	
At 1 July	
Amalgamation adjustments (Note 43)	117,217
Additions	7,660
Disposals	(194)
At 30 June	124,683
AMORTISATION	
At 1 July	-
Amalgamation adjustments (Note 43)	62,431
Charge for the year	11,414
Disposals	(194)
At 30 June	73,651
NET BOOK VALUE	
At 30 June	51,032

The other intangible assets consist of leasehold rights, rights to publishing titles, marketing rights, trademarks and computer software. Leasehold rights have a net book value of Rs 563,464,000 as at 30 June 2017 (2016: Rs381,773,000).

The directors have considered the relevant factors in determining the useful life of the marketing rights and trademarks. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the marketing rights and trademarks have been assessed as having an indefinite useful life.

The recoverable amount of marketing rights with a carrying value of Rs8 million and which arise on Cipla have been based on its value-in-use calculation. The calculation use cash flow projections based on financial budgets approved by management. Value-in-use was determined by discounting the future cash flows generated from the continuing use of marketing rights using a pre-tax discount rate of 14%.

The directors are of the opinion that the marketing rights have not been impaired and believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of marketing rights to exceed their aggregate recoverable amount.

6. INTANGIBLES ASSETS (CONT'D)

The recoverable amounts of trademarks, with a carrying value of Rs193 million, have been determined based on the value-in-use calculations together with the goodwill impairment assessment of Edena Group.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of trademarks to at least maintain their respective market share. An annual growth of 4% has been used for a period of 5 years and a perpetual growth rate of 2% has been used to calculate the terminal value.

Goodwill acquired through business combination have indefinite lives and have been allocated to the following cash-generating units for impairment testing as follows:

	CARRYING VALUE	
	2017 Rs'000	2016 Rs'000
Agro	**5,432**	5,432
Building & Engineering	**24,224**	24,224
Commercial	**32,997**	16,981
Financial & Other Services	**993**	-
Logistics	**12,606**	12,606
Manufacturing & Processing	**659,815**	802,942
Corporate Services	**51,444**	48,888
Hospitality	**1,393,254**	1,401,301
Innovation	**109,948**	109,949
	2,290,713	2,422,323

The recoverable amounts of these cash-generating units have been determined based on their value in use calculation using cash flow projections based on financial budgets established by senior management. The pre-tax discount rates applied to cash flow projections vary between 9% to 14% (2016: 9% and 22%) and the growth rates range from 3% to 5% (2016: 3% and 5%).

Impairment loss amounting to Rs140 million for 2017 is attributable to the cash generating units of Commercial to reflect the loss in value of the CGU due to recurring losses being incurred in the Ugandan operation. In 2016, impairment losses amounting to Rs26.4 million, Rs3.74 million, Rs3.75 million and Rs14 million are attributable to the cash generating units of Commercial, Financial Services, Manufacturing & Processing and Building & Engineering respectively. These were done for certain non-operating and loss making units. The impairment losses are recognised in profit or loss for year ended 30 June 2017 and 2016 in exceptional items and administrative expenses.

The directors have reviewed the carrying values of goodwill at 30 June 2016 and 2017 and are of the opinion that no additional impairment losses need to be recognised.

7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2016: 17%).

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Deferred tax liabilities	**1,108,036**	928,603	**-**	-
Deferred tax assets	**(241,304)**	(145,156)	**(58,907)**	-
Net deferred tax at 30 June	**866,732**	783,447	**(58,907)**	-

The movement in deferred tax during the year is as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**783,447**	779,159	**-**	-
Acquisition of subsidiaries (Note 37(a))	**-**	(19,618)	**-**	-
Disposal of subsidiaries (Note 37(b))	**-**	(125)	**-**	-
Amalgamation adjustment (Note 43)	**-**	-	**(23,051)**	-
Exchange differences	**2,564**	902	**-**	-
Amounts recognised in profit or loss				
Charge for the year (Note 24(b))	**(2,438)**	43,957	**(32,806)**	-
Amounts recognised in other comprehensive income				
Income tax relating to components of other comprehensive income	**13,045**	-	**-**	-
Deferred tax on surplus on revaluation of land and buildings	**82,152**	-	**8,738**	-
Deferred tax relating to remeasurement of retirement benefit obligation	**(12,038)**	(20,828)	**(11,788)**	-
At 30 June	**866,732**	783,447	**(58,907)**	-

7. DEFERRED TAXATION (CONT'D)

Deferred tax assets and liabilities and movement in deferred tax are attributable to the following items:

THE GROUP	Accelerated tax depreciation	Provisions	Revaluation of property, plant and equipment	Retirement benefit obligations	Tax Losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	601,615	(21,314)	534,575	(219,517)	(116,200)	779,159
Acquisition of subsidiaries	6,595	-	-	-	(26,213)	(19,618)
Other movement	868	-	-	-	34	902
Disposal of subsidiary	(125)	-	-	-	-	(125)
Charge to other comprehensive income	-	-	-	(20,828)	-	(20,828)
Charge to profit or loss	43,707	(6,814)	(4,196)	(2,363)	13,623	43,957
At 30 June 2016	652,660	(28,128)	530,379	(242,708)	(128,756)	783,447
At 1 July 2016	652,660	(28,128)	530,379	(242,708)	(128,756)	783,447
Other movement	1,992	-	-	-	572	2,564
Charge to other comprehensive income	-	-	82,152	(12,038)	13,045	83,159
Charge to profit or loss	119,707	4,891	-	(16,727)	(110,309)	(2,438)
At 30 June 2017	**774,359**	**(23,237)**	**612,531**	**(271,473)**	**(225,448)**	**866,732**

THE COMPANY	Accelerated tax depreciation	Revaluation of property, plant and equipment	Retirement benefit obligations	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2016	-	-	-	-
Amalgamation adjustment	20,782	70,710	(114,543)	(23,051)
Charged to other comprehensive income	-	8,738	(11,788)	(3,050)
Charged to profit or loss	(29,715)	-	(3,091)	(32,806)
At 30 June 2016	**(8,933)**	**79,448**	**(129,422)**	**(58,907)**

8. BEARER BIOLOGICAL ASSETS

THE GROUP	2017 Rs'000	2016 Rs'000
Plant canes		
At 1 July	**13,779**	12,446
Expenditure during the year	**3,764**	4,392
Impairment adjustments	**(6,915)**	380
Amortisation for the year	**(2,217)**	(3,439)
At 30 June	**8,411**	13,779
Area harvested (Arpents)	**411**	506
Cost per Arpent (Rs)	**50,599**	70,120

At June 30, 2017, the directors have made an assessment of the carrying value of the bearer plants and have concluded that an impairment of Rs 6.9m was required (2016: Nil) based on their forecasts. This assessment was based on an average sugar price of Rs 15,000 per ton over the projected period.

9. CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane Rs'000	Plants Rs'000	Vegetables Rs'000	Total Rs'000
At 1 July 2015	12,599	15,095	1,793	29,487
Production	35,481	21,180	827	57,488
Sales	(27,223)	(20,355)	(2,966)	(50,544)
Fair value movement	(13,518)	2,584	10,397	(537)
At 30 June 2016	7,339	18,504	10,051	35,894
Production	32,251	25,004	20,796	78,051
Sales	(24,270)	(27,635)	(21,951)	(73,856)
Fair value movement	(11,286)	3,874	(679)	(8,091)
At 30 June 2017	**4,034**	**19,747**	**8,217**	**31,998**

9. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

The main assumptions for estimating the fair values are as follows:

	2017	2016
Standing cane		
Expected area to harvest (ha)	**173**	214
Estimated yields (%)	**10.4**	10
Estimated price of sugar - Rs (per ton)	**15,000**	15,000
Plants		
Expected area to harvest (ha)	**12**	19
Maximum maturity of plants at 30 June	**1 year**	5 years
Vegetables		
Expected area to harvest (ha)	**32**	32
Discount factor (%)	**5**	5

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing Cane	Discounted cash flows	Cane yield per Ha.	0.1% point increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs155,440 (2016: Rs201,771).
		Price of sugar	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs777,198 (2016: Rs1,008,854).
		WACC	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs8,289 (2016: Rs6,036).
Plants	Discounted cash flows	Average price of plants	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs1,535,485 (2016: Rs1,374,805).
		Mortality rate	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs65,245 (2016: Rs72,358).
		WACC	0.1% point increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs35,811 (2016: Rs160,087).
Vegetables	Discounted cash flows	Discount factor	1% point (decrease)/increase in discount factor would result in (decrease)/increase in fair value by Rs1,522 (2016: Rs45,368).
		Price of vegetables	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs742,324 (2016: Rs701,793).

10. FINANCE LEASE RECEIVABLES

THE GROUP	2017 Rs'000	2016 Rs'000
(a) Movement during the year		
At 1 July	**1,091,693**	1,160,070
Leases granted during the year	**183,183**	268,512
Amounts written off	**(824)**	-
Capital movement during the year	**(341,323)**	(336,889)
	932,729	1,091,693
Interest on finance lease receivable	**31,771**	37,356
Less: Allowance for credit losses	**(278,858)**	(287,004)
At 30 June	**685,642**	842,045
Present value of minimum lease payments	**932,729**	1,091,693

All finance lease receivables are secured over the assets leased and in some cases additional guarantees are taken from the clients for the facility availed. The average lease term is between 5 to 7 years and the effective interest rate on finance leases is 8.6% (2016: 7.96%) and is fixed at the contract date for the entire lease term. The lessee has the option to purchase the asset at the end of the lease period.

Before granting lease to clients, the subsidiary uses a credit scoring system to assess the potential client's credit quality and profile. The Client Acceptance Committee reviews the client's application and upon satisfactory scoring and submission of all necessary documents, the lease is granted.

The maximum exposure to credit risk of finance lease receivables for the current and prior periods is the carrying amount net of allowance for credit losses.

	2017 Rs'000	2016 Rs'000
Ageing of past due debt but not impaired		
90 days-180 days	**-**	11,793
Over 180 days	**5,222**	-
	5,222	11,793
Ageing of impaired past due debt		
30 days - 180 days	**7,022**	85,428
Over 180 days	**390,413**	338,864
	397,435	424,292

10. FINANCE LEASE RECEIVABLES (CONT'D)

(b) Gross and net investment in finance leases:	2017 Rs'000	2016 Rs'000
- Within one year	602,537	719,567
- Between one and five years	457,689	557,687
- Over 5 years	22,845	22,752
	1,083,071	1,300,006
Less Unearned finance income	(118,571)	(170,957)
Less Allowance for credit losses	(278,858)	(287,004)
Net investment in finance lease before allowance for credit losses	685,642	842,045
Analysed as:		
- Current finance lease receivable	287,444	417,998
- Non-current finance lease receivable	398,198	424,047
	685,642	842,045

(c) Movement in the allowance for credit losses

In determining the recoverability of a debt, the subsidiary considers each client on a case by case basis, taking into account any change in the credit quality of the client from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Management is of the opinon that there is no further credit provision required in excess of the allowance for credit losses.

	2017			2016
	Specific provision	Portfolio provision	Total provision	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Balance at beginning of the year	279,625	7,379	287,004	118,584
Amount utilised/reclassified	-	-	-	(1,667)
Write off	(495)	-	(495)	-
(Reversal)/additional provision during the year	(8,894)	1,243	(7,651)	170,087
Balance at end of the year	270,236	8,622	278,858	287,004

The fair value of the gross finance lease receivables at 30 June 2017 is estimated at Rs985 million (2016: Rs1,133 million) based on discounted estimated future cash flows at a market rate.

The fair value of the collaterals of the finance lease receivables at 30 June 2017 is estimated at Rs825 million (2016: Rs1,125 million) based on the assets depreciated value.

The unguaranteed residual values of assets under finance leases at 30 June 2017 are estimated at Rs28 million (2016: Rs31 million).

The above fair values are classified as Level 3 under the fair value hierarchy.

11. INVESTMENT IN SUBSIDIARIES

THE COMPANY	Listed	Secondary market	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	8,113,340	484,177	880,131	9,477,648
Additions	202,203	-	10,001	212,204
Impairment loss	-	(252,630)	(98,853)	(351,483)
Fair value adjustment	38,401	78,886	256,998	374,285
At 30 June 2016	**8,353,944**	**310,433**	**1,048,277**	**9,712,654**
At 1 July 2016	8,353,944	310,433	1,048,277	9,712,654
Amalgamation adjustment (Note 43)	(3,946,781)	-	7,860,672	3,913,891
Additions	-	573	1,689,864	1,690,437
Transfer from AFS financial assets	-	-	1,200	1,200
Impairment loss	-	-	(231,985)	(231,985)
Fair value adjustment	379,534	101,134	2,276,518	2,757,186
At 30 June 2017	**4,786,697**	**412,140**	**12,644,546**	**17,843,383**

	2017	2016
	Rs'000	Rs'000
The acquisitions have been financed as follows:		
Cash	**882,835**	10,001
Received as dividend in specie	**-**	202,203
Transfer of properties	**807,602**	-
	1,690,437	212,204

The Group and the Company have pledged their investments to secure the banking facilities obtained.

At 30 June 2017, the Company recognised impairment losses with respect to Ugandan subsidiaries, Mauritian Eagle Leasing Co Ltd as well as some non-operating entities as these entities have recurring losses. The impairment losses recognised in 2016 are in relation to The Bee Equity Partners Ltd which had distributed part of its assets and in relation to Intergraph Ltée which has a recoverable value below its carrying value. These impairment losses were recognised in exceptional items. The directors believe that investments in subsidiaries have not suffered additional impairment loss.

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries

	Country of incorporation	Type of shares	Principal activity	2017 % Held		2016 % Held	
				Direct	Indirect	Direct	Indirect
Adam and Company Limited*	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Air Mascareignes Limitée	Mauritius	Ordinary	Tourism	50.00	-	-	24.35
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	-	50.00	-	48.70
Arcadia Travel Comores s.a.r.l.	Comoros	Ordinary	Travel agency	-	50.00	-	48.70
Australair General Sales Agency Ltd	Mauritius	Ordinary	Tourism and Travel	-	25.00	-	24.35
Australair GSA Comores s.a.r.l.	Comoros	Ordinary	Tourism and Travel	-	25.00	-	24.35
Australair GSA Mada s.a.	Madagascar	Ordinary	Tourism and Travel	-	25.00	-	24.35
Catovair Comores sarl*	Mauritius	Ordinary	Tourism and Travel	-	50.00	-	24.35
Calendula Limited**	Mauritius	Ordinary	Real Estate	-	-	-	48.70
Alentaris Ltd	Mauritius	Ordinary	Investment	75.51	-	-	75.51
Alentaris Recruitment Ltd	Mauritius	Ordinary	Recruitment services	-	75.51	-	75.51
Alentaris Consulting Ltd	Mauritius	Ordinary	Human resource consulting	-	75.51	-	75.51
Alentaris Management Ltd	Mauritius	Ordinary	Management company	-	75.51	-	75.51
Alkore Chemicals (Mauritius) Ltd**	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Bloomage Ltd	Mauritius	Ordinary	Real Estate & Property Management	100.00	-	-	48.70
Blychem Ltd	Mauritius	Ordinary	Manufacturing of Chemical products	100.00	-	-	48.70
Blytronics Limited**	Mauritius	Ordinary	Manufacturing	-	-	-	48.70
Blyth Brothers and Company Limited*	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Camp Investment Company Limited	Mauritius	Ordinary	Investment	49.60	-	-	49.60
Phoenix Management Company Limited	Mauritius	Ordinary	Management	-	49.56	-	49.56
Phoenix Investment Company Limited	Mauritius	Ordinary	Investment	20.99	11.25	20.96	11.25
Phoenix Beverages Limited	Mauritius	Ordinary	Production of Beer and Bottles and distribution of beverages	3.21	18.46	3.21	18.46
MBL Offshore Ltd	Mauritius	Ordinary	Investment	-	21.66	-	21.66
Phoenix Beverages Overseas Ltd	Mauritius	Ordinary	Export of beverages	-	21.65	-	21.65
The (Mauritius) Glass Gallery Ltd	Mauritius	Ordinary	Production and sale of glasswares	-	16.46	-	16.46
Mauritius Breweries International Ltd	British Virgin Islands	Ordinary	Investment	-	21.66	-	21.66
Phoenix Distributors Ltd	Mauritius	Ordinary	Distribution of beverages	-	21.09	-	21.09
Phoenix Camp Minerals Offshore Ltd	Mauritius	Ordinary	Investment	-	21.66	-	21.66
Phoenix Réunion SARL	Reunion	Ordinary	Commissioning agent	-	21.66	-	21.66
Helping Hands Foundation	Mauritius	Ordinary	Charitable institution	-	18.96	-	18.96
Phoenix Foundation	Mauritius	Ordinary	Foundation	-	21.66	-	21.66
Edena S.A.	Reunion	Ordinary	Distribution of beverages	-	21.66	-	21.66
SCI Edena	Reunion	Ordinary	Real Estate	-	21.66	-	21.66
Espace Solution Reunion SAS	Reunion	Ordinary	Other Services	-	21.66	-	21.66
Cassis Limited*	Mauritius	Ordinary	Inactive	100.00	-	-	48.70

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

	Country of incorporation	Type of shares	Principal activity	2017 % Held Direct	2017 % Held Indirect	2016 % Held Direct	2016 % Held Indirect
Chantier Naval de l'Océan Indien Limited	Mauritius	Ordinary	Construction and repair of ships	**60.00**	**-**	-	29.22
CNOI Investments Ltd	Mauritius	Ordinary	Investment	**-**	**60.00**	-	29.22
Compagnie Thonière de l'Ocean Indien Limited	Mauritius	Ordinary	Rental of fishing boats	**100.00**	**-**	-	48.70
Construction & Material Handling Company Ltd	Mauritius	Ordinary	Handling equipment	**100.00**	**-**	-	48.70
DieselActiv Co Ltd	Mauritius	Ordinary	Mechanical	**100.00**	**-**	-	48.70
Engitech Ltd	Mauritius	Ordinary	Commerce	**100.00**	**-**	-	48.70
Equip and Rent Company Ltd	Mauritius	Ordinary	Rental of equipment	**100.00**	**-**	-	48.70
Equity Spectrum Ltd	Mauritius	Ordinary	Investment	**70.00**	**-**	-	-
Escape Outdoor & Leisure Ltd	Mauritius	Ordinary	Commerce	**100.00**	**-**	-	48.70
Flacq Associated Stonemasters Limited	Mauritius	Ordinary	Production and sale of aggregates and bricks	**-**	**28.15**	-	28.15
Fondation Joseph Lagesse	Mauritius	Ordinary	Charitable institution	**100.00**	**-**	100.00	-
GML Immobilier Ltee	Mauritius	Ordinary	Inactive	**100.00**	**-**	100.00	-
Ground 2 Air Ltd	Mauritius	Ordinary	Ground handling	**100.00**	**-**	-	48.70
G2A Camas Ltd	Mauritius	Ordinary	Training		**50.00**	-	24.35
Equity Aviation Comores sarl	Mauritius	Ordinary	Ground handling	**-**	**100.00**	-	48.70
HealthActiv Ltd	Mauritius	Ordinary	Healthcare	**100.00**	**-**	-	48.70
I World Ltd	Mauritius	Ordinary	Commerce	**100.00**	**-**	-	48.70
Ireland Fraser (Madagascar) SARL**	Madagascar	Ordinary	Commerce	**100.00**	**-**	-	48.70
IBL Africa Investment Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
IBL Biotechnology (International) Ltd	Mauritius	Ordinary	Research and Development	**100.00**	**-**	-	48.70
IBL Biotechnology (Mauritius) Ltd	Mauritius	Ordinary	Research and Development	**90.00**	**-**	-	43.83
IBL Biotechnology Investment Holdings Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	**100.00**	**-**	-	48.70
IBL Comores s.a.r.l.	Comoros	Ordinary	Tourism	**100.00**	**-**	-	48.70
IBL Corporate Services Ltd	Mauritius	Ordinary	Inactive	**100.00**	**-**	-	48.70
IBL Entertainment Holding Ltd*	Mauritius	Ordinary	Inactive	**100.00**	**-**	-	48.70
IBL Entertainment Ltd*	Mauritius	Ordinary	Inactive		**100.00**	-	48.70
IBL Financial Services Holding Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
Beach International Company Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
DTOS Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
DTOS International Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
DTOS Trustees Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
DTOS Outsourcing Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
DTOS International (East Africa) Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Egeria Fishing Co Ltd**	Mauritius	Ordinary	Fishing	**-**	**-**	-	48.70

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

	Country of incorporation	Type of shares	Principal activity	2017 % Held Direct	2017 % Held Indirect	2016 % Held Direct	2016 % Held Indirect
Knights & Johns Management Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Interface International Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Interface Management Services Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
IPSE (Nominees) Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
ITA EST (Nominees)	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Pines Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Pines Nominees Ltd	Mauritius	Ordinary	Global business	**-**	**100.00**	-	48.70
Plastic Recycling Co Ltd**	Mauritius	Ordinary	Manufacturing	**-**	**-**	-	48.70
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	**100.00**	**-**	-	48.70
IBL Gabon Investments Limited	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
IBL India Investments Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
Aquatic Proteins Private Limited	India	Ordinary	Manufacturing	**-**	**70.00**	-	34.09
IBL International Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
IBL Life Ltd	Mauritius	Ordinary	Biotechnologies	**100.00**	**-**	100.00	-
Rouclavier Ltd	Mauritius	Ordinary	Research and Biotechnology	**-**	**80.00**	-	75.00
Services de Gestion des Compagnies Ltée	Mauritius	Ordinary	Management Services	**-**	**80.00**	-	75.00
Centre International de Development Cliniques Ltée	Mauritius	Ordinary	Evaluation and pharmaceutical services	**-**	**-**	-	56.25
CIDP Preclinical Ltd	Mauritius	Ordinary	Clinical testing	**-**	**80.00**	-	75.00
CIDP India	Mauritius	Ordinary	Clinical testing of pharmaceutical and cosmetic products	**-**	**80.00**	-	75.00
CIDP International	Mauritius	Ordinary	Clinical research and investment	**-**	**79.20**	-	74.25
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	**-**	**79.99**	-	74.93
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	**-**	**79.20**	-	75.00
CIDP Brasil	Mauritius	Ordinary	Clinical research and investment	**-**	**80.00**	-	75.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	**-**	**79.00**	-	74.93
Centre de Phytotherapie et de Recheche Ltée	Mauritius	Ordinary	Testing and analysis of plants	**-**	**79.00**	-	41.25
CIDP Singapore	Mauritius	Ordinary	Clinical research and investment	**-**	**80.00**	-	75.00
Centre International de Developpement Pharmaceutique PTE. Ltd (CIDP Biotech)	Singapore	Ordinary	Clinical testing of pharmaceutical and cosmetic products	**-**	**80.00**	-	75.00
IBL Link Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
The ConcreAte Agency Ltd	Mauritius	Ordinary	Advertising	**-**	**80.00**	-	80.00
Visiotouch Co. Ltd	Mauritius	Ordinary	Information Technology and Communications	**-**	**-**	-	81.32
IBL Madagasikara S.A.	Madagascar	Ordinary	Commerce	**90.00**	**-**	-	43.83
IBL Management Ltd	Mauritius	Ordinary	Management Services	**100.00**	**-**	100.00	-
IBL Regional Development Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	-	48.70
IBL Reunion s.a.s	Reunion	Ordinary	Courier Services	**-**	**-**	-	48.70
Société de Transit Aérien et Maritime SARL**	Madagascar	Ordinary	Clearing & forwarding	**-**	**85.50**	-	41.64

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

				2017 % Held		2016 % Held	
	Country of incorporation	Type of shares	Principal activity	Direct	Indirect	Direct	Indirect
Société Immobilière IBL Tana SARL	Madagascar	Ordinary	Real Estate	-	-	-	48.70
IBL Comores GSA Anjouan s.a.r.l.	Comoros	Ordinary	Tourism	-	100.00	-	48.70
IBL Aviation s.a.r.l.	Madagascar	Ordinary	Tourism and Travel	-	100.00	-	48.70
IBL Aviation Comores s.a.r.l.	Comoros	Ordinary	Tourism and Travel	-	100.00	-	48.70
Mad Courrier SARL	Madagascar	Ordinary	Courier service	92.50	-	-	45.05
Mada Aviation SARL	Madagascar	Ordinary	GSA	100.00	-	-	48.70
IBL Shipping Company Ltd	Mauritius	Ordinary	Import-Export	100.00	-	-	48.70
IBL Training Services Ltd*	Mauritius	Ordinary	Training services	100.00	-	-	48.70
IBL Travel Limited	Mauritius	Ordinary	Travel agency	100.00	-	-	48.70
IBL Travel s.a.r.l.**	Mauritius	Ordinary	Travel agency	-	100.00	-	48.70
IBL Treasury Ltd	Mauritius	Ordinary	Treasury	100.00	-	100.00	-
IBL Treasury Management Ltd	Mauritius	Ordinary	Treasury Management	100.00	-	-	48.70
IBL Ugandan Holdings 1 Limited	Mauritius	Ordinary	Investment	100.00	-	-	48.70
IBL Ugandan Holdings 2 Limited	Mauritius	Ordinary	Investment	100.00	-	-	48.70
Fresh Cuts (Uganda) Ltd	Uganda	Ordinary	Meat processing	-	100.00	-	48.70
I-Consult Limited	Mauritius	Ordinary	IT Services	100.00	-	-	48.70
IMV Services Ltd	Mauritius	Ordinary	Rental of equipment	100.00	-	-	48.70
Indian Ocean Dredging Ltd**	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Industrie et Services de l'Océan Indien Limitée	Mauritius	Ordinary	Maritime Transport	50.00	10.00	-	29.22
Intergraph Ltée	Mauritius	Ordinary	Trading in printing equipment and consumables	100.00	-	100.00	-
Heilderberg Océan Indien Limitée	Mauritius	Ordinary	Investment	-	100.00	-	100.00
Intergraph Réunion	Reunion	Ordinary	Trading in printing equipment and consumables for printing	-	100.00	-	100.00
Intergraph Reunion SAV	Reunion	Ordinary	After sales service	-	100.00	-	100.00
Sci Les Alamandas	Reunion	Ordinary	Real Estate	-	100.00	-	100.00
Intergraph Réunion Papier	Reunion	Ordinary	Trading in papers	-	100.00	-	100.00
Intergraph Remote Services Ltd	Mauritius	Ordinary	Maintenance tele-equipment	-	-	-	100.00
Intergraph Papier Ltée	Reunion	Ordinary	Trading in papers	-	-	-	100.00
Intergraph Editions Ltee	Mauritius	Ordinary	Editing of books	-	100.00	-	100.00
Les Classiques Africains du Cameroun SARL	Cameroun	Ordinary	Sale and promotion of books	-	100.00	-	100.00
Les Classiques du Sénégal	Senegal	Ordinary	Sale and promotion of books	-	100.00	-	100.00
International Development Partners (E.A) Limited	Kenya	Ordinary	Recruitment services and human resource management	-	74.00	-	74.00
Ireland Blyth (Informatics) Ltd**	Mauritius	Ordinary	Commerce	-	-	-	48.70
Ireland Blyth (Seychelles) Ltd*	Seychelles	Ordinary	Inactive	100.00	-	-	48.70
Ireland Fraser and Company Limited*	Mauritius	Ordinary	inactive	100.00	-	-	48.70
I-Telecom Ltd	Mauritius	Ordinary	IT Services	100.00	-	-	48.70

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

	Country of incorporation	Type of shares	Principal activity	2017 % Held Direct	2017 % Held Indirect	2016 % Held Direct	2016 % Held Indirect
La Tropicale Mauricienne Ltée	Mauritius	Ordinary	Manufacturing	**100.00**	**-**	-	48.70
Les Cuisines Solidaires Ltée	Mauritius	Ordinary	Charitable institution	**100.00**	**-**	-	48.70
Logidis Limited	Mauritius	Ordinary	Warehousing	**100.00**	**-**	-	48.70
Lux Island Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**39.27**	**-**	39.33	-
Poseidon Limitee	Mauritius	Ordinary	Investment	**-**	**39.27**	-	39.33
Holiday & Leisure Resorts Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Merville Beach Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Merville Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Blue Bay Tokey Island Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Beau Rivage Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Lux Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Les Pavillons Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
LTK Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
MSF Leisure Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
FMM Ltée	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
SAS Hotel Prestige Reunion	France	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
SA Les Villas du Lagon	France	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
SA Societes Villages - Hotel de l'Ocean Indien	France	Ordinary	Hospitality and Tourism	**-**	**39.21**	-	39.21
Naiade Holidays (Pty) Ltd	South Africa	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Lux Island Resorts UK Limited	UK	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Lux Island Resort Foundation	Mauritius	Ordinary	Charitable institution	**-**	**39.27**	-	39.33
Lux Island Resort Maldives Ltd	Seychelles	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
White Sand Resorts & Spa Pvt Ltd	Maldives	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Lux Hospitality Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**37.70**	-	37.76
Lux Island Resort Seychelles Ltd	Seychelles	Ordinary	Hospitality and Tourism	**-**	**37.70**	-	37.76
LIRTA Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**37.70**	-	37.76
Ari Atoll Investment Ltd	Seychelles	Ordinary	Hospitality and Tourism	**-**	**37.70**	-	37.76
Island Light Vacations Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**37.70**	-	37.76
Lux Hotel Management (Shanghai) Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Oceanide Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Nereide Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**39.27**	-	39.33
Manser Saxon Contracting Ltd	Mauritius	Ordinary	Manufacturing & contracting	**85.00**	**-**	-	38.96
Manser Saxon Elevators Ltd	Mauritius	Ordinary	Manufacturing	**-**	**85.00**	-	38.96
Manser Saxon Environment Ltd**	Mauritius	Ordinary	Inactive	**-**	**85.00**	-	38.96
Manser Saxon Plumbing Ltd	Mauritius	Ordinary	Manufacturing	**-**	**85.00**	-	38.96
Manser Saxon Dubai LLC	Dubai	Ordinary	Manufacturing	**-**	**85.00**	-	38.96

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

	Country of incorporation	Type of shares	Principal activity	2017 % Held Direct	2017 % Held Indirect	2016 % Held Direct	2016 % Held Indirect
Manser Saxon Interiors LLC	Dubai	Ordinary	Manufacturing	-	85.00	-	38.96
Manser Saxon Openings Ltd*	Mauritius	Ordinary	Manufacturing	-	85.00	-	38.96
Manser Saxon Training Services Ltd	Mauritius	Ordinary	Training services	-	85.00	-	38.96
Kuros Company Ltd (formerly: Instyle by MS Ltd)	Mauritius	Ordinary	Manufacturing	-	85.00	-	38.96
Engineering Services Ltd	Seychelles	Ordinary	Outsourcing	-	85.00	-	29.22
Fit-Out (Mauritius) Ltd	Mauritius	Ordinary	Manufacturing	-	64.17	-	29.41
Riche Terre Electricals Ltd**	Mauritius	Ordinary	Inactive	-	85.00	-	38.96
SAER (Indian Ocean) Ltd	Mauritius	Ordinary	Commerce	-	-	-	48.70
Saxon International Ltd	Mauritius	Ordinary	Investment	-	85.00	-	38.96
Tornado Engineering Ltd **	Mauritius	Ordinary	Inactive	-	85.00	-	38.96
Tornado Limited	Mauritius	Ordinary	Manufacturing	-	85.00	-	38.96
Systems Building Contracting Ltd	Mauritius	Ordinary	Manufacturing & contracting	-	54.83	-	25.13
Mauritian Eagle Insurance Company Limited	Mauritius	Ordinary	General Insurance	60.00	-	-	29.22
Mauritian Eagle Leasing Company Ltd	Mauritius	Ordinary	Leasing & deposit taking	86.43	8.14	-	46.06
Medical Trading Company Ltd	Mauritius	Ordinary	Healthcare	100.00	-	-	48.70
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	51.00	-	-	24.84
New Cold Storage Company Limited*	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Printvest Holding Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Reefer Operations (BVI) Limited	British Virgin Island	Ordinary	Shipping	100.00	-	-	48.70
Riche Terre Development Limited	Mauritius	Ordinary	Property	100.00	-	-	48.70
Scomat Limitée	Mauritius	Ordinary	Industrial & Mechanical	100.00	-	-	48.70
Seafood Hub Limited	Mauritius	Ordinary	Investment	85.00	-	-	41.39
Cervonic Ltd	Mauritius	Ordinary	Manufacturing	-	82.17	-	37.26
Froid des Mascareignes Ltd	Mauritius	Ordinary	Storage	-	59.50	-	28.98
G S P Co Ltd	Mauritius	Ordinary	Manufacturing	-	-	-	48.70
Transfroid Ltd	Mauritius	Ordinary	Import-Export	-	59.50	-	28.98
Marine Biotechnology Products Ltd	Mauritius	Ordinary	Manufacturing	-	56.95	-	27.73
Marine Biotechnology International Ltd	Mauritius	Ordinary	Investment	-	85.00	-	41.39
Tuna Mascarene S.l.	Spain	Ordinary	Commerce	-	85.00	-	41.39
Seaways Marine Supplies Limited	Mauritius	Ordinary	Shipping	100.00	-	-	48.70
Servequip Ltd	Mauritius	Ordinary	Rental & servicing of equipment	100.00	-	-	48.70
Société de Traitement et d'Assainissement des Mascareignes Limitée*	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Société Mauricienne de Navigation Limitée*	Mauritius	Ordinary	Service provider	100.00	-	-	48.70
Somatrans SDV Ltd	Mauritius	Ordinary	Import-Export	75.00		-	36.52
Somatrans SDV Logistics Ltd	Mauritius	Ordinary	Import-Export	-	75.00	-	36.52
Southern Seas Shipping Company Limited	Mauritius	Ordinary	Shipping	100.00	-	-	48.70

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries (Cont'd)

	Country of incorporation	Type of shares	Principal activity	2017 % Held		2016 % Held	
				Direct	Indirect	Direct	Indirect
Specialty Risk Solutions Ltd	Mauritius	Ordinary	General Insurance	-	42.00	-	-
The Bee Equity partners Ltd	Mauritius	Ordinary	Investment	34.95	-	34.95	-
The Ground Collaborative Space Ltd	Mauritius	Ordinary	Collaborative workspace	84.20	2.03	-	24.70
Tourism Services International Limited	Mauritius	Ordinary	Inactive	100.00	-	-	48.70
Trident Healthcare Limited	Mauritius	Ordinary	Healthcare	100.00	-	-	48.70
United Basalt Products Ltd	Mauritius	Ordinary	Investment	33.14	-	33.14	-
Espace Maison Ltee	Mauritius	Ordinary	Commerce	-	33.14	-	33.14
Compagnie de Gros cailloux Ltee	Mauritius	Ordinary	Agriculture	-	33.14	-	33.14
Société d'Investissement Rodriguais	Mauritius	Ordinary	Investment	-	33.14	-	33.14
Welcome Industries Ltd	Mauritius	Ordinary	Manufacture of building materials	-	25.15	-	25.15
UBP International Ltd	Mauritius	Ordinary	Investment	-	33.14	-	33.14
UBP Madagascar	Madagascar	Ordinary	Manufacture of building materials	-	33.14	-	33.14
United Granite Products (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	-	25.52	-	25.52
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Sheffield Trading(Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Sainte Marie Crushing Plant Ltd	Mauritius	Ordinary	Manufacture of building materials	-	25.35	-	25.35
Société des Petits Cailloux	Mauritius	Ordinary	Investment	-	25.35	-	25.35
Dry Mixed Products Ltd	Mauritius	Ordinary	Manufacture of building materials	-	16.90	-	16.90
Land Reclamation Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Stone and Bricks Co Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
The Stone Masters Co Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Winhold Limited	Mauritius	Ordinary	Investment	100.00	-	-	48.70
Pick and Buy Limited	Mauritius	Ordinary	Supermarkets	-	100.00	-	48.70
Ze Dodo Trail Ltd	Mauritius	Ordinary	Organiser of trails	100.00	-	-	100.00
GML Finance Holding	Mauritius	Ordinary	Investment	-	-	100.00	-

* Companies are inactive
** Companies are inactive and in process of de-registration

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

	Percentage of voting rights held by non-controlling interests		Net profit attributable to non-controlling interest		Accumulated non-controlling interests		Dividend paid to non-controlling interests	
	2017	2016	**2017**	2016 (Restated)	**2017**	2016 (Restated)	**2017**	2016
			Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Lux* Island Resorts Ltd	**60.67%**	60.67%	**305,341**	253,767	**3,517,611**	3,647,523	**(104,080)**	(95,514)
Camp Investment Company Limited	**50.40%**	50.40%	**328,362**	291,045	**2,844,624**	2,634,857	**(150,198)**	(137,813)
United Basalt Products Ltd	**66.86%**	66.86%	**120,130**	114,300	**2,261,105**	1,929,322	**(72,416)**	(68,185)
Chantier Naval de l'Océan Indien Ltd	**40%**	40%	**114,641**	90,546	**737,756**	684,596	**(54,029)**	(67,996)
Individually immaterial subsidiaries with non-controlling interests			**44,179**	75,450	**1,270,533**	1,352,011	**(102,011)**	(123,603)
Total			**912,653**	825,108	**10,631,629**	10,248,309	**(482,734)**	(493,111)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

LUX* Island Resorts Ltd	2017 Rs'000	2016 Rs'000
Current assets	1,146,409	1,148,837
Non-current assets	10,391,750	10,037,420
Current liabilities	2,221,570	2,348,487
Non-current liabilities	3,522,532	3,338,270
Equity attributable to owners of the Company	2,276,446	1,851,977
Non-controlling interest	3,517,611	3,647,523

	2017 Rs'000	2016 Rs'000
Revenue	5,437,975	5,157,782
Expenses	4,930,239	4,739,303
Profit for the year	507,736	418,479
Profit for the year:		
- Profit attributable to owners of the Company	202,395	164,712
- Profit attributable to the non-controlling interests	305,341	253,767
	507,736	418,479
Other comprehensive income for the year:		
- Other comprehensive (loss)/income attributable to owners of the Company	(220,550)	2,182
- Other comprehensive (loss)/income attributable to the non-controlling interests	(341,676)	3,361
	(562,226)	5,543
Total comprehensive (loss)/income for the year:		
- Total comprehensive (loss)/income attributable to owners of the Company	(18,155)	166,894
- Total comprehensive (loss)/income attributable to the non-controlling interests	(36,335)	257,128
	(54,490)	424,022
Net cash inflow from operating activities	848,010	784,115
Net cash outflow from investing activities	(43,106)	(811,778)
Net cash outflow from financing activities	(584,149)	(4,004)
Net cash inflow/(outflow)	220,755	(31,667)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Camp Investment Company Limited	2017 Rs'000	2016 Rs'000
Current assets	1,689,562	1,381,417
Non-current assets	4,405,413	4,295,113
Current liabilities	1,305,411	961,349
Non-current liabilities	1,160,988	1,357,121
Equity attributable to owners of the Company	783,952	723,203
Non-controlling interest	2,844,624	2,634,857

	2017 Rs'000	2016 Rs'000
Revenue	6,414,909	5,515,321
Expenses	5,981,264	5,130,793
Profit for the year	433,645	384,528
Profit for the year:		
- Profit attributable to owners of the Company	105,283	93,483
- Profit attributable to the non-controlling interests	328,362	291,045
	433,645	384,528
Other comprehensive income for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	7,207	(4,907)
- Other comprehensive income/(loss) income attributable to the non-controlling interests	35,168	(29,670)
	42,375	(34,577)
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	112,490	88,576
- Total comprehensive income attributable to the non-controlling interests	363,530	261,375
	476,020	349,951
Net cash inflow from operating activities	611,831	642,588
Net cash outflow from investing activities	(383,216)	(1,140,548)
Net cash outflow from financing activities	(374,275)	482,133
Net cash (outflow)	(145,660)	(15,827)

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

United Basalt Products Ltd	2017 Rs'000	2016 Rs'000
Current assets	1,280,198	1,140,922
Non-current assets	3,691,157	3,165,563
Current liabilities	791,867	710,890
Non-current liabilities	1,005,934	917,876
Equity attributable to owners of the Company	912,449	748,397
Non-controlling interest	2,261,105	1,929,322

	2017 Rs'000	2016 Rs'000
Revenue	2,651,466	2,636,450
Expenses	2,479,835	2,478,347
Profit for the year	171,631	158,103
Profit for the year:		
- Profit attributable to owners of the Company	51,501	43,803
- Profit attributable to the non-controlling interests	120,130	114,300
	171,631	158,103
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	141,105	242
- Other comprehensive income/(loss) attributable to the non-controlling interests	284,065	(870)
	425,170	(628)
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	192,606	44,045
- Total comprehensive income attributable to the non-controlling interests	404,195	113,430
	596,801	157,475
Net cash inflow from operating activities	244,225	410,844
Net cash outflow from investing activities	(276,378)	(242,788)
Net cash outflow from financing activities	(65,498)	(109,256)
Net cash (outflow)/inflow	(97,651)	58,800

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Chantier Naval de l'Océan Indien Ltd	2017 Rs'000	2016 Rs'000
Current assets	725,590	864,080
Non-current assets	1,628,555	1,649,938
Current liabilities	295,764	644,057
Non-current liabilities	212,129	158,430
Equity attributable to owners of the Company	1,108,496	1,026,894
Non-controlling interest	737,756	684,596

	2017 Rs'000	2016 Rs'000
Revenue	1,257,875	829,475
Expenses	971,981	603,111
Profit for the year	285,894	226,364
Profit for the year:		
- Profit attributable to owners of the Company	171,253	135,818
- Profit attributable to the non-controlling interests	114,641	90,546
	285,894	226,364
Other comprehensive (loss)/income for the year:		
- Other comprehensive (loss)/income attributable to owners of the Company	(11,180)	4,801
- Other comprehensive (loss)/income attributable to the non-controlling interests	(7,453)	3,200
	(18,633)	8,001
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	160,073	140,619
- Total comprehensive income attributable to the non-controlling interests	107,188	93,746
	267,261	234,365
Net cash inflow from operating activities	394,152	175,454
Net cash outflow from investing activities	(61,878)	(53,923)
Net cash outflow from financing activities	(289,435)	(72,463)
Net cash inflow	42,839	49,068

12. INVESTMENTS IN ASSOCIATED COMPANIES

(a) THE GROUP	2017 Rs'000	2016 Rs'000
At 1 July	**8,677,478**	9,183,333
Additions	**554,591**	3,150
Disposals	**-**	(90)
Impairment loss	**(6,780)**	(94,067)
Transfer to investment in joint ventures (Note 13)	**-**	(67,436)
Share of profits	**569,162**	534,397
Dividend received	**(288,441)**	(287,250)
Movement in fair value reserves	**(71)**	(6,048)
Movement in revaluation reserves	**(6,536)**	(30,668)
Movement in currency translation reserves	**(17,053)**	(32,265)
Movement in other reserves	**51,968**	(17,944)
Movement in reserves of associated companies	**33,677**	104,976
Other movements in retained earnings	**(123,195)**	11,228
Gain on deemed disposal of associates resulting from dilution	**-**	20,458
Transfer to assets classified as held for sale (Note 18)	**-**	(577,625)
Transfer to investment in subsidiaries	**6,497**	(66,671)
At 30 June	**9,451,297**	8,677,478

At 30 June 2017, the Group has recognised an impairment loss with respect to PL Resorts Ltd and Haute Rive Azuri Ltd due to recurring losses incurred by these entities. At 30 June 2016, on analysing the present value of future cash flows and the carrying value of the investments, impairment losses of Rs48.8 million and Rs42.3 million were identified in relation to LCL Cynologics Ltd and Tropical Holding SA respectively. These impairment losses were recognised in the profit or loss under exceptional items and administrative expenses.

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(b) THE COMPANY	Listed	Secondary market	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	2,546,541	-	2,851,211	**5,397,752**
Additions	68,736	-	39,200	**107,936**
Transfer to investment in joint ventures (Note 13)	-	-	(200,000)	**(200,000)**
Fair value adjustments	(211,967)	-	318,847	**106,880**
Transfer to assets classified as held for sale (Note 18)	-	-	(577,625)	**(577,625)**
At 30 June 2016	2,403,310	-	2,431,633	**4,834,943**
Amalgamation adjustment (Note 43)	-	-	862,264	**862,264**
Additions	-	-	646,591	**646,591**
Disposal	-	-	(134,983)	**(134,983)**
Fair value adjustments	611,831	-	472,264	**1,084,095**
At 30 June 2017	**3,015,141**	**-**	**4,277,769**	**7,292,910**

(c) Additions during the year have been financed as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Received as dividend in specie	**-**	-	**-**	107,936
Cash	**554,591**	3,150	**646,591**	-
	554,591	3,150	**646,591**	107,936

(d) The Group and the Company have pledged their investments to secure the banking facilities obtained.

(e) The directors believe that investments in associated companies are fairly stated and have not suffered additional impairment losses.

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(f) Details of associated companies

	Country of incorporation	Type of shares	2017 % Held		2016 % Held	
			Direct	**Indirect**	Direct	Indirect
Abax Holding Limited	Mauritius	Ordinary	**47.00**	**-**	47.00	-
AfrAsia Bank Limited	Mauritius	Ordinary	**30.10**	**-**	24.71	-
Alteo Ltd	Mauritius	Ordinary	**27.64**	**-**	27.64	-
Australair GSA Seychelles Ltd	Seychelles	Ordinary	**-**	**49.00**	-	23.86
Azur Medical Ltd	Mauritius	Ordinary	**-**	**50.00**	-	-
Catovair Comores SARL	Comoros	Ordinary	**-**	**50.00**	-	24.35
Cement Transport Ltd	Mauritius	Ordinary	**-**	**8.28**	-	8.28
Compagnie des Travaux Maritimes des Mascareignes Ltee	Mauritius	Ordinary	**-**	**25.00**	-	12.17
Compagnie Mauricienne d'Entreprise Ltée	Mauritius	Ordinary	**-**	**6.63**	-	6.63
Confido Holding Limited	Mauritius	Ordinary	**33.33**	**-**	33.33	-
Cosy Club Management Services Ltd	Mauritius	Ordinary	**-**	**44.67**	-	44.67
Crown Corks Industries Ltd	Mauritius	Ordinary	**-**	**6.58**	-	6.58
DDL Promotion Ltee	Mauritius	Ordinary	**-**	**40.00**	-	40.00
DPD Laser (Mauritius) Ltd	Mauritius	Ordinary	**25.00**	**-**	-	12.17
Energie des Mascareignes Limitée	Mauritius	Ordinary	**30.00**	**-**	-	-
GWS Technologies Ltd	Mauritius	Ordinary	**-**	**45.00**	-	45.00
H. Savy Insurance Company Ltd	Seychelles	Ordinary	**-**	**12.00**	-	5.84
Haute Rive Azuri Hotel Ltd	Mauritius	Ordinary	**-**	**7.34**	-	7.34
Island Management Ltd	Mauritius	Ordinary	**25.00**	**-**	25.00	-
LCF Holdings	Mauritius	Ordinary	**25.00**	**-**	-	-
LCF Securites Ltd	Mauritius	Ordinary	**25.00**	**-**	25.00	-
LCL Cynologics Ltd	Mauritius	Ordinary	**-**	**30.05**	-	30.05
Madalg SARL	Madagascar	Ordinary	**40.00**	**-**	-	-
Mauritius Coal and Allied Services Co Ltd	Mauritius	Ordinary	**49.00**	**-**	-	23.86
Mer des Mascareignes Limitee	Mauritius	Ordinary	**-**	**42.50**	-	20.69
Nutrifish SAS	France	Ordinary	**-**	**24.01**	-	11.69
PL Resort Ltd	Mauritius	Ordinary	**-**	**13.98**	-	13.98
Pre-mixed Concrete Ltd	Mauritius	Ordinary	**-**	**16.24**	-	16.24
Princes Tuna (Mauritius) Ltd	Mauritius	Ordinary	**23.37**	**17.27**	-	19.79
Prochimad Mines et Carrières SARL	Madagascar	Ordinary	**-**	**11.27**	-	11.27
Profilage Ocean Indien Ltee	Mauritius	Ordinary	**20.00**	**-**	-	9.74
Proxifresh Co Ltd	Mauritius	Ordinary	**20.00**	**-**	-	9.74
Quantilab Holding Ltd	Mauritius	Ordinary	**-**	**50.00**	-	37.17
Quantis Corporation	Mauritius	Ordinary	**40.00**	**-**	-	19.48
Scimat SAS	Reunion	Ordinary	**50.00**	**-**	-	24.35
Societe Australe de Participations Ltee	Mauritius	Ordinary	**10.00**	**-**	-	9.74
Specialty Risk Solutions Ltd	Mauritius	Ordinary	**-**	**-**	-	20.45
Sud Concassage Ltée	Mauritius	Ordinary	**-**	**8.28**	-	8.28
Supintex Limited	Mauritius	Ordinary	**49.00**	**-**	49.00	-
Tropical Holding SA	Mauritius	Ordinary	**-**	**60.00**	-	29.22
Terrarock Ltd	Mauritius	Ordinary	**-**	**15.24**	-	15.24
Tower Bridge Projects (Mauritius) Ltd	Mauritius	Ordinary	**-**	**34.00**	-	-
Trois Ilots Ltee	Mauritius	Ordinary	**33.33**	**-**	-	16.23
Universal Media Ltd	Mauritius	Ordinary	**-**	**34.00**	-	-

All the above associated companies are accounted using the equity method in the consolidated financial statements.

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(g) Information presented in aggregate for associated companies that are not individually significant:

	2017 Rs'000	2016 Rs'000
The Group's share of profit from continuing operations	156,065	111,253
The Group's share of other comprehensive income	(9,599)	(31,020)
The Group's share of profit and total comprehensive income	146,466	80,233
Carrying amount of the Group's total interest in its associates	986,816	916,587

(h) Details of significant associated companies

The table below presents a summary of financial information in respect of each of the significant associated companies of the Group. This summary represents the amounts reported in the financial statements of the respective associated companies prepared in accordance with IFRS.

	2017 Rs'000	2016 Rs'000
Afrasia Bank Limited		
Current assets	67,516,987	69,243,999
Non current assets	33,881,635	19,306,616
Current liabilities	89,747,076	77,674,219
Non current liabilities	5,719,293	6,089,930
Equity attributable to other shareholders	1,047,687	1,190,236
Revenue	3,484,229	2,921,967
Profit for the year attributable to ordinary shareholders of the company	804,109	639,739
Other comprehensive loss attributable to ordinary shareholders of the company	(6,557)	(25,341)
Total comprehensive income for the year attributable to ordinary shareholders of the company	797,552	614,398
Group's share of profit for year of the associated company	195,337	158,294
Group's share of total comprehensive income of the associated company	194,361	152,032
Dividend received from associated company	24,809	8,338

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Reconciliation of financial information summarized above and the carrying value of the investment in Afrasia Bank Limited recorded in the consolidated financial statements:

	2017 Rs'000	2016 Rs'000
Net assets of the associate	**4,884,566**	3,596,230
Percentage holding by the Group	**30.10%**	24.71%
Share of net assets	**1,470,254**	888,628
Goodwill	**402,328**	288,641
Carrying value of the Group's share	**1,872,582**	1,177,269

(h) Details of significant associated companies (Cont'd)

	2017 Rs'000	2016 Rs'000
Alteo Ltd		
Current assets	**5,704,644**	5,252,934
Non current assets	**23,787,173**	23,791,764
Current liabilities	**4,453,787**	3,773,503
Non current liabilities	**5,584,320**	5,980,095
Equity attributable to other shareholders	**2,482,865**	2,366,528
Revenue	**8,929,348**	7,850,222
Profit for the year attributable to ordinary shareholders of the parent company	**487,054**	264,211
Other comprehensive loss attributable to ordinary shareholders of the parent company	**(142,617)**	(79,204)
Total comprehensive income attributable to ordinary shareholders of the parent company	**344,437**	185,007
Group's share of profit for year of the associated company	**134,622**	73,028
Group's share of total comprehensive income of the associated company	**95,202**	51,135
Dividend received from associated company	**72,186**	70,425

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Reconciliation of financial information summarized above and the carrying value of the investment in Alteo Ltd recorded in the consolidated financial statements:

	2017 Rs'000	2016 Rs'000
Net assets of associated company	**16,970,845**	16,924,572
Percentage holding by the Group	**27.64%**	27.64%
Share of net assets	**4,690,742**	4,677,952
Carrying value of the Group's share	**4,690,742**	4,677,952

(h) Details of significant associated companies (Cont'd)

	2017 Rs'000	2016 Rs'000
Princes Tuna (Mauritius) Ltd		
Current assets	**4,631,868**	4,560,235
Non current assets	**1,967,967**	1,960,569
Current liabilities	**2,003,318**	1,567,808
Non current liabilities	**1,577,162**	1,923,310
Equity attributable to other shareholders	**(1,907)**	2,795
Revenue	**9,870,481**	9,194,629
Profit for the year attributable to ordinary shareholders of the parent company	**190,334**	439,154
Other comprehensive income attirbutable to ordinary shareholders of the parent company	**(25,676)**	209,508
Total comprehensive income for the year attributable to ordinary shareholders of the parent company	**164,658**	648,662
Group's share of profit for year of the associated company	**83,138**	191,822
Group's share of total comprehensive income of the associated company	**71,923**	283,335
Dividend received from associated company	**63,730**	64,249

12. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Reconciliation of financial information summarized above and the carrying value of the investment in Princes Tuna (Mauritius) Ltd recorded in the consolidated financial statements:

	2017 Rs'000	2016 Rs'000
Net assets of associated company	3,019,355	3,029,681
Pecentage holding by the Group	43.68%	43.68%
Share of net assets	1,318,854	1,323,367
Goodwill	582,303	582,303
Carrying value of the Group's share	1,901,157	1,905,670

13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures:

	Type of shares	Country of incorporation		Percentage held 2017	2016
City Brokers Ltd	Ordinary	Mauritius	Direct	50%	50%
Proximed Limited	Ordinary	Mauritius	Indirect	50%	50%
Plat-Form Laser Ltée	Ordinary	Mauritius	Indirect	40%	38%
Volailles et Traditions Ltée	Ordinary	Mauritius	Indirect/direct	50%	24%
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	43%	19%
GML Chedid & Associates East Africa Ltd	Ordinary	Mauritius	Indirect/direct	50%	50%

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
At July 1	162,985	81,285	257,000	5,461
Amalgamation adjustments (Note 43)	-	-	56,050	-
Additions	24,000	-	24,000	-
Transfer from investment in associated companies	-	67,436	-	200,000
Share of results	55,896	48,815	-	-
Dividends	(35,350)	(33,500)	-	-
Fair value movement	-	-	98,771	57,000
Impairment loss	-	-	(40,000)	-
Share of other comprehensive income	1,330	4,410	-	-
Disposal	-	(5,461)	-	(5,461)
At 30 June	208,861	162,985	395,821	257,000

There are no contingent liabilities with respect to the joint ventures.

None of the joint ventures are individually significant to the Group.

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

Information presented in aggregate for the joint ventures that are not individually significant:

	2017 Rs'000	2016 Rs'000
Current assets	**381,422**	310,594
Non-current assets	**192,731**	210,877
Current liabilites	**225,619**	247,753
Non-current liabilities	**50,673**	67,499
Net assets	**297,861**	206,219
Share of net assets of the jointly controlled entities	**208,861**	162,985
Revenue	**845,905**	712,998
Profit for the year	**118,186**	96,269
Total comprehensive income for the year	**122,746**	104,810
Group's share of results for the year - continuing operations	**55,896**	48,815
Group's share of other comprehensive income for the year	**1,330**	4,410
Group's share of total comprehensive income for the year	**57,226**	53,225

14. OTHER FINANCIAL ASSETS

THE GROUP	2017 Available for sale investments	2017 Held-to-maturity investments	2017 Total	2016 Available for sale investments	2016 Held-to-maturity investments	2016 Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	**973,387**	**210,435**	**1,183,822**	901,279	232,119	1,133,398
Additions	**46,363**	**7,000**	**53,363**	181,361	55,971	237,332
Reclassification	-	-	-	7,073	(7,073)	-
Disposals	**(154,505)**	**(50,159)**	**(204,664)**	(68,569)	(70,582)	(139,151)
Fair value adjustments	**51,195**	-	**51,195**	147,516	-	147,516
Impairment loss	**(14,311)**	-	**(14,311)**	(195,295)	-	(195,295)
Transfer to investment in subsidiaries	**(3,700)**	-	**(3,700)**	-	-	-
Transfer to other receivables	**(319)**	-	**(319)**	-	-	-
Exchange differences	**(2)**	-	**(2)**	22	-	22
At 30 June	**898,108**	**167,276**	**1,065,384**	973,387	210,435	1,183,822
Analysed as follows:						
Current assets	-	**40,000**	**40,000**	-	-	-
Non-current assets	**898,108**	**127,276**	**1,025,384**	973,387	210,435	1,183,822
	898,108	**167,276**	**1,065,384**	973,387	210,435	1,183,822

THE COMPANY	Listed	Secondary market	Unquoted	Total
Available for sale investments	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2015	164,043	-	19,326	183,369
Additions	-	-	225	225
Impairment loss	(191,742)	-	-	(191,742)
Disposal	-	-	(2,066)	(2,066)
Fair value adjustments	103,246	-	1,572	104,818
At 30 June 2016	75,547	-	19,057	94,604
Amalgamation adjustment	24,613	5,709	112,006	142,328
Transfer to investment in subsidiary	-	-	(1,200)	(1,200)
Disposal	-	-	(1,025)	(1,025)
Fair value adjustments	12,075	1,331	(1,600)	11,806
At 30 June 2017	**112,235**	**7,040**	**127,238**	**246,513**

14. OTHER FINANCIAL ASSETS (CONT'D)

Held to maturity investments are unquoted and consist of debentures, bank bonds and structured notes, bearing interest varying between 5.35% to 8.50% (2016: 5.1% to 10%) with maturity between 2017 and 2024 respectively. The non-current held to maturity investments have maturity date varying from 2019 to 2024. The directors have reviewed the carrying amount on held to maturity investment and are of the opinion there is no objective evidence of impairment.

Available for sale financial assets comprise of quoted and unquoted securities and units. The fair value of quoted and unquoted securities is based on the Stock Exchange prices and the net asset value based on brokers' statement at the close of business at the end of the reporting period respectively.

At 30 June 2017, certain investments were impaired as these entities were incurring losses or were in the process of winding up. On analysing the present value of cash flows, the Company has recognised an impairment loss on its investment in Blue Life Ltd to reflect the recoverable amount at 30 June 2016. The impairment loss has been reflected in exceptional items.

The Group and the Company have pledged their investments to secure the banking facilities obtained.

The directors believe that the other investments have not suffered any additional impairment losses.

15. INVENTORIES

	THE GROUP		THE COMPANY	
THE GROUP	**2017 Rs'000**	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Raw materials	**1,016,191**	705,922	**-**	-
Spare parts	**123,875**	104,555	**-**	-
Work in progress	**163,926**	551,336	**-**	-
Finished goods	**2,559,232**	2,642,225	**776,084**	-
Goods in transit	**212,347**	208,682	**57,753**	-
	4,075,571	4,212,720	**833,837**	-

The trading stocks of some subsidiaries have been pledged as security for bank facilities granted to them.

The cost of inventories recognised as an expense includes an amount of Rs150.7 million (2016: Rs117 million) in respect of write downs of inventories to net realisable value. Included in finished goods is an amount of Rs4.6 million (2016: Rs5.1 million) representing stock at net realisable value.

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Amounts receivable from related companies	**147,676**	376,438	**1,757,249**	225,350
Trade receivables	**3,613,932**	3,156,648	**559,177**	-
Other debtors and prepayments	**4,481,933**	2,784,077	**1,012,445**	-
	8,243,541	6,317,163	**3,328,871**	225,350

The trade receivables and amount due from related companies are unsecured and interest free. The average credit period of these receivables is between 30 to 90 days. The Group has provided fully for all receivables where recovery is expected to be remote.

Before accepting any new customer, the Group and the Company assess the credit worthiness of the customer and defines the terms and credit limits with respect to the sector of activity in which they operate.

	THE GROUP		THE COMPANY	
Ageing of past due but not impaired	**2017 Rs'000**	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
30-60 days	**657,690**	222,599	**125,822**	-
60-90 days	**317,631**	337,886	**45,249**	-
90-120 days	**227,584**	230,421	**17,092**	-
>120 days	**807,815**	496,208	**44,911**	-
	2,010,720	1,287,114	**233,074**	-
Ageing of impaired receivables				
0-60 days	**3,879**	2,880	**2,812**	-
60-90 days	**5,847**	5,815	**57**	-
90-120 days	**748**	9,716	**44**	-
>120 days	**374,188**	330,892	**37,374**	-
	384,662	349,303	**40,287**	-

In determining the recoverability of trade receivables, the Group analyses the changes affecting the financial health of customers as from the date on which they were granted credit facilities up to year end. Credit risk concentration is limited due to the customer base being large and unrelated. Accordingly, the directors do not deem it necessary to make additional provision for irrecoverable debts.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for doubtful debts	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**349,303**	280,887	**-**	-
Opening balance of subsidiaries acquired	**-**	54,779	**-**	-
Amalgamation adjustments	**-**	-	**39,501**	-
Impairment losses recognised during the year	**85,303**	81,116	**5,552**	-
Amounts written off as uncollectible	**(28,627)**	(34,124)	**(2,842)**	-
Amounts recovered during the year	**(3,139)**	(15,837)	**(691)**	-
Impairment loss reversed	**(18,090)**	(17,620)	**(1,233)**	-
Exchange differences	**(88)**	102	**-**	-
At 30 June	**384,662**	349,303	**40,287**	-

17. NOTES ISSUED

	THE GROUP	
	2017 Rs'000	2016 Rs'000
Notes issued to non-related companies	**242,400**	254,900

Notes issued to related companies and non-related companies are guaranteed through a preferential right awarded to recoverable debts of these companies. The notes bear interest between 5.30% and 10.00% p.a. (2016: 6.40% and 10.40% p.a.). The maturity date of these notes are less than one month.

18. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company has declared a dividend in specie in relation to the distribution of its investment in Ferney Limited in May 2016. The fair value of the asset is Rs577.6 million and the distribution was effected in August 2016.

On 22 August 2016, the subsidiary of Lux Island Resorts Ltd (LUX*), Nereide Ltd had signed a Head of Terms with Mara Delta Property Ltd, a company listed on the Stock Exchange of Mauritius, for the sale of the hotel building of Nereide Ltd for a gross consideration amounting to US$ 40 million. Subsequent to the sale, the property will be leased back to Nereide Ltd for a period of 10 years renewable at the latter's option. Consequently the net book value of the building of Nereide Ltd has been transferred to non-current assets held for sale.

Pursuant to an agreement dated 29 September 2016 with Grit Real Estate Income Group Limited (formerly Mara Delta Property Holdings Limited), the hotel building of Tamassa Resort as well as its rights, title and interests in the lease agreement with the Government of Mauritius were disposed during the year for a total consideration of USD40 million (approximately Rs1,259 million).

One of the subsidiaries of IBL Ltd had agreed on 27 June 2016 to dispose of its investment property for an amount of Rs42.8 million. The fair value of the investment property has been classified as assets held for sale.

The results for year ended 30 June 2016 for the assets disposed relating to Ireland Blyth Limited and LUX* are disclosed below:

THE GROUP	2016 Rs'000
Revenue (Note 26)	41,512
Cost of sales	(46,393)
Gross profit	(4,881)
Other income (Note 28)	1,304
Finance costs (Note 30)	(1,693)
Loss before tax from discontinued operations	(5,270)
Tax charge	(116)
Loss for the year from discontinued operations	(5,386)
Cash flows from discontinued operations	
Cash flows from operating activities	(17,060)
Cash flows from investing activities	(242)
Cash flows from financing activities	12,920
Net cash flows from discontinued operations	(4,382)

18. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

The assets and liabilities classified as held for sale in 2016 related to IBL and the Company.

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Assets				
Investment in associated companies (Note 12)	**-**	577,625	**-**	577,625
Property, plant and equipment (Note 4)	**-**	1,037,045	**-**	-
Investment property (Note 5)	**-**	32,766	**-**	-
	-	1,647,436	**-**	577,625
Liabilities				
Borrowings	**-**	525,593	**-**	-

19. (a) STATED CAPITAL

THE GROUP AND THE COMPANY	**2017 Rs'000**	2016 Rs'000
Issued and fully paid		
At 1 July 2016: 503,555,550 ordinary shares of no par value	**897,883**	897,883
Issue of shares (176,668,490 ordinary shares of no par value) (Refer to Note 43)	**464,058**	-
At 30 June 2017: 680,224,040 ordinary shares of no par value (2016: 503,555,550 Ordinary shares of no par value)	**1,361,941**	897,883

Each share confers to its holder the right to vote and a proportional right to dividends and in the distribution of the surplus assets of the Company on winding up.

At a Special Meeting dated 17 May 2016, the Shareholders have approved the following:
- the exisiting ordinary shares of Rs10 each be converted into no par value shares
- the existing ordinary shares each be subdivided into 25 fully paid up ordinary shares of no par value.

19. (b) RESTRICTED REDEEMABLE SHARES

At a Special Meeting dated 17 May 2016, the Shareholders have approved the issue of a new class of shares, namely the Restricted Redeemable Shares (RRS) of no par value to GML Ltée. The number of RRS issued is 3 for 1 ordinary shares of the Company following the share split.

1,510,666,650 RRS of no par value have been issued for a total amount of Rs5 million at 30 June 2016.

Each RRS confer to the holder the right to vote at general meetings and right to participate in a rights issue together with the holders of the Ordinary Shares. The RRS holders have no right to dividend or distribution as well as any surplus of the Company in case of winding up.

20. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year				
Secured bank overdrafts	**954,473**	1,186,081	**88,781**	42,099
Unsecured bank overdrafts	**4,125,132**	3,682,182	**4,125,132**	-
Secured bank loans	**2,119,048**	1,828,504	**727,481**	-
Unsecured borrowings	**485,900**	460,360	**1,111,818**	120,000
Deposits from customers	**461,671**	444,520	**-**	-
Convertible bonds	**8,737**	-	**-**	-
Bonds secured by floating charges	**-**	350,000	**-**	350,000
Obligations under finance leases (Note 20(d))	**38,293**	46,315	**7,233**	-
Borrowings - Current	**8,193,254**	7,997,962	**6,060,445**	512,099
After one year and before two years				
Secured bank loans	**1,477,863**	1,008,200	**603,309**	-
Unsecured borrowings	**50,334**	75,589	**-**	-
Deposits from customers	**199,472**	259,167	**-**	-
Bonds secured by floating charges	**-**	-	**200,000**	-
Unsecured debentures	**560,000**	-	**-**	-
Convertible bonds	**-**	18,575	**-**	-
Obligations under finance leases (Note 20(d))	**63,211**	47,035	**3,457**	-
	2,350,880	1,408,566	**806,766**	-
After two years and before five years				
Secured bank loans	**2,006,520**	2,139,285	**158,506**	-
Unsecured borrowings	**34,170**	35,250	**-**	-
Deposits from customers	**253,465**	374,172	**-**	-
Bonds secured by floating charges	**484,000**	484,000	**284,000**	484,000
Unsecured debentures	**-**	560,000	**-**	-
Obligations under finance leases (Note 20(d))	**56,254**	58,877	**8,491**	-
	2,834,409	3,651,584	**450,997**	484,000
After five years				
Secured borrowings	**942,335**	1,168,473	**-**	-
Deposits from customers	**48,212**	-	**-**	
Obligations under finance leases (Note 20(d))	**2,085**	1,265	**667**	-
	992,632	1,169,738	**667**	-
Borrowings - Non Current	**6,177,921**	6,229,888	**1,258,430**	484,000
Total borrowings	**14,371,175**	14,227,850	**7,318,875**	996,099

20. BORROWINGS (CONT'D)

(b) The bank overdrafts and borrowings are secured by fixed and floating charges on the assets of the Group and of the Company.

The Company has issued bonds for an amount of Rs834million. These bonds, with a maturity of 3 to 7 years are guaranteed by floating charges on the Company's assets and are repayable at maturity ranging over 3, 5 and 7 years. Interest is calculated semi-annually and include both fixed and variable rates. In 2016, the Company issued additional bonds for an amount of Rs250million with a maturity of one year. The Company has paid Rs350million during the year ended 30 June 2017.

One of the subsidiaries had issued 50 million units of unsecured convertible bonds for an aggregate amount of Rs500 million. The convertible bonds are listed on the Stock Exchange of Mauritius and carry interest at the rate of 9% per annum. Interests on the convertible bonds are payable twice yearly in March and September.

The final exercise for the conversion was on 31 December 2016 and 983,802 bonds have converted into shares as at that date at a price of Rs47.62. The remaining balance of convertible bonds are repayable on 31 December 2017.

The unsecured debentures are repayable in November 2018 and bears interest at repo rate +1.20%. These debentures are quoted on the Stock Exchange of Mauritius and the fair value as at 30 June 2017 amounts to Rs564 million (2016:Rs562.3 million).

The unsecured borrowings bear interest ranging from 3.5% to 9% p.a.

Term deposits relates to a subsidiary engaged in the deposit taking services. The deposits bear interest ranging from 2.6% to 8% (2016: 2.6% to 8%) p.a.

(c) The interest rate on borrowings are as follows :

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Secured borrowings	**1.50% - 6.65%**	1.22% - 14%	**4.50% - 6.46%**	6.65%
	PLR	PLR		
	PLR - 0.90%			
	PLR + (0.10% - 1.50%)	PLR + (0.5% - 1.5%)		
	LIBOR + (1.5% - 5%)	LIBOR + (1.25% - 5%)		
	EURIBOR + (1.3% - 4.50%)	EURIBOR + (1.3% - 8.53%)		
Unsecured borrowings	**3.50% - 9%**	2.71% - 14%	**3.50% - 7%**	6.40%
	LIBOR + (1% - 2.75%)	LIBOR + 4%		
	PLR - 1.5%			
	PLR + (0.25% - 2%)	PLR + 1%		
	EURIBOR + 2%			
Debentures	**5.20% - 6.48%**	3% - 9%	**5.35% - 6.48%**	5.08% - 6.48%
	Repo + (1.20% - 1.65%)	Repo + (0.45% - 1.65%)	**Repo + (1.35% - 1.65%)**	Repo + (0.45% - 1.65%)
Obligations under finance leases	**2.75% - 9.75%**	3% - 10%		
		PLR + 1%	**-**	-

20. BORROWINGS (CONT'D)

(d) Obligations under finance leases

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Finance lease liabilities - minimum lease payments				
- Not later than 1 year	**59,682**	55,569	**7,135**	-
- Later than 1 year and not later than 5 years	**79,888**	117,819	**13,169**	-
- After five years	**37,339**	1,294	**689**	-
	176,909	174,682	**20,993**	-
Less: Future finance charges	**(17,066)**	(21,190)	**(1,145)**	-
Present value of minumum lease payment	**159,843**	153,492	**19,848**	-
Representing lease liabilities				
- Not later than 1 year	**38,293**	46,315	**7,233**	-
- Later than 1 year and not later than 2 years	**63,211**	47,035	**3,457**	-
- Later than 1 year and not later than 5 years	**56,254**	58,877	**8,491**	-
- After five years	**2,085**	1,265	**667**	-
	159,843	153,492	**19,848**	-

Leasing arrangements
Finance leases relate to plant and equipment and motor vehicles with average lease term of 5 to 7 years. The Group has an option to purchase the assets for a nominal amount at the conclusion of the lease agreements. The obligations under finance leases are secured by the lessors' title to the leased assets.

Fair value
The fair value of the finance lease liabilities is approximately equal to their carrying amount.

21. OTHER PAYABLES

IBL Ltd (formerly GML Investissement Ltée) has implemented a Long Term Incentive Plan ('LTI') during the year ended 30 June 2015. The LTI, which extended over a period of 4 years (from 1 July 2014 to 30 June 2018), provided an opportunity for executives of IBL Management Ltd (formerly GML Management Ltée) to participate in the creation of value within the Company. Based on the criteria defined below, the Company was to pay a contribution each year to IBL Management Ltd and the latter was to pay the LTI at the end of the fourth year to the executives.

The participants' performance will be measured on two criteria of IBL Ltd :

(i) The growth rate of capital per share
(ii) The dividend growth rate per share paid to shareholders

A provision of Rs20 million was recorded in favor of the executives at 30 June 2016 which was paid during the year under review.

22. RETIREMENT BENEFIT OBLIGATIONS

THE GROUP

The Group's pension fund comprise both final salary defined benefit plans and defined contribution plans. The pension fund, namely IBL Pension Fund, is operational since 1 July 2002 for the majority of the employees of the Group. Pension Consultants and Administrators Ltd is responsible for the management of this fund. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement.

The Company operates a group defined benefit plan for some of its employees within the Company and some of its subsidiaries and the plan is wholly funded. The benefits are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement. Though the risks are shared between the entities, there is no contractual agreement or stated policy for charging the defined benefit cost to the individual entities and the company is the legal sponsoring employer of the plan. As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

Certain subsidiaries also have defined contribution plans. Furthermore, for one of the subsidiaries, some employees receive a guaranteed amount equal to a defined benefit scheme based on salary at retirement. The scheme is funded by the employer, through contributions to a fund administered separately.

The unfunded portion of the obligation concern employees who are entitled to retirement benefits payable under the "Employment Rights Act 2008" . This provides for a lump sum at retirement based on final salary and years of service.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2017 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk - The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk - If bond yields decline, the liability would be calculated using a lower discount rates and would therefore increase.

Investment risk - If the market value of investments falls or the yields are lower than the discount rate, this will result in a shortfall of assets compared with the value of liabilities.

Salary risk - If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Retirement benefit assets - under defined benefit plan (Note (i))	**(5,525)**	-	**-**	-
Retirement benefit under defined benefit plan (Note (i))	**1,092,138**	1,081,692	**639,297**	-
Retirement benefit under The Employment Rights Act 2008 (Note (ii))	**649,901**	500,121	**125,731**	-
	1,742,039	1,581,813	**765,028**	-

(i) Defined benefit plan

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Retirement benefit assets	**(5,525)**	-	**-**	-
Retirement benefit obligations	**1,092,138**	1,081,692	**639,297**	-
	1,086,613	1,081,692	**639,297**	-
Present value of funded obligation	**2,163,516**	2,095,934	**1,320,436**	-
Present value of unfunded obligation	**94,169**	98,455	**9,425**	-
Fair value of plan assets	**(1,171,072)**	(1,112,697)	**(690,564)**	-
Liability recognised in the statements of financial position	**1,086,613**	1,081,692	**639,297**	-

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**1,081,692**	1,027,673	**-**	-
Amalgamation adjustment	**-**	-	**599,329**	-
Amount recognised in profit or loss	**124,595**	114,769	**66,786**	-
Amount recognised in other comprehensive income	**14,392**	57,112	**16,196**	-
Transfer from subsidiary	**-**	-	**49,280**	-
Transfer from DC Reserve Account	**(37,952)**	-	**(37,952)**	-
Transfer to another entity	**(1,826)**	-	**(1,826)**	-
Contributions and direct benefit paid	**(94,288)**	(117,862)	**(52,516)**	-
At 30 June	**1,086,613**	1,081,692	**639,297**	-

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(i) Defined benefit plan (Cont'd)

Amounts recognised in the statements of comprehensive income:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Current service cost	**52,168**	47,837	**24,723**	-
Net interest cost	**72,427**	66,932	**42,063**	-
Components of amount recognised in profit or loss	**124,595**	114,769	**66,786**	-
Remeasurement of the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense)	**22,310**	81,021	**13,685**	-
Actuarial (gain)/loss arising from changes in financial assumptions	**19,049**	(13,349)	**38,524**	-
Actuarial gain arising from experience adjustments	**(26,967)**	(10,560)	**(36,013)**	-
Components of amount recognised in other comprehensive income	**14,392**	57,112	**16,196**	-
Total	**138,987**	171,881	**82,982**	-
Actual return on plan assets	**48,179**	(8,282)	**27,281**	-

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**2,194,389**	2,140,224	**-**	-
Amalgamation adjustment	**-**	-	**1,202,961**	-
Current service cost	**46,439**	43,749	**21,979**	-
Interest cost	**142,916**	139,671	**83,029**	-
Curtailment or settlement loss	**-**	(3,131)	**-**	-
Benefits paid	**(115,411)**	(102,321)	**(61,818)**	-
Actuarial gain arising from experience adjustments	**(26,967)**	(10,560)	**(36,013)**	-
Actuarial (gain)/loss arising from changes in financial assumptions	**19,049**	(13,349)	**38,524**	-
Transfer from subsidiary	**-**	-	**84,000**	-
Transfer to another entity	**(2,801)**	-	**(2,801)**	-
Employee's contribution	**71**	106	**-**	-
At 30 June	**2,257,685**	2,194,389	**1,329,861**	-

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(i) Defined benefit plan (Cont'd)

Movements in the present value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**1,112,697**	1,112,551	**-**	-
Amalgamation adjustment	**-**	-	**603,632**	-
Interest received	**70,489**	72,739	**40,966**	-
Current service cost	**(688)**	(906)	**-**	-
Transfer from subsidiary	**-**	-	**34,720**	-
Transfer from DC Reserve Account	**37,952**	-	**37,952**	-
Return on plan assets excluding interest income	**(22,310)**	(81,021)	**(13,685)**	-
Employer contributions	**94,359**	117,968	**52,516**	-
Scheme expenses	**(447)**	(888)	**(407)**	-
Cost of insuring risk benefits	**(4,594)**	(5,425)	**(2,337)**	-
Transfer to another entity	**(975)**	-	**(975)**	-
Benefits paid	**(115,411)**	(102,321)	**(61,818)**	-
At 30 June	**1,171,072**	1,112,697	**690,564**	-

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Cash and cash equivalents	**117,671**	82,663	**87,702**	-
Equity investments categorised by industry type:				
- Banks & Insurance	**114,891**	109,226	**85,630**	-
- Industry	**12,045**	10,698	**8,977**	-
- Investment	**75,007**	75,820	**55,936**	-
- Leisure & Hotels	**46,327**	47,322	**34,528**	-
- Commerce	**260,361**	16,075	**15,192**	-
- Others	**8,388**	72,205	**5,525**	-
Fixed interest instruments	**253,873**	307,936	**189,215**	-
Properties	**13,898**	54,313	**10,358**	-
Commodities	**2,072**	-	**2,072**	-
Investment funds	**241,472**	261,482	**176,784**	-
Private equity	**25,067**	74,957	**18,645**	-
Total market value of assets	**1,171,072**	1,112,697	**690,564**	-

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Discount rate	**5.0% - 6.5%**	6.5% - 7%	**6%**	-
Future long term salary increase	**3.4% - 4.5%**	3.5% - 6%	**4% - 4.5%**	-
Future pension increase	**1.0% - 4.5%**	0% - 2.5%	**1.5%**	-
Average longevity at retirement age for current pensioners				
- Males	**21 years**	21 years	**21 years**	-
- Females	**24 years**	24 years	**24 years**	-
Average retirement age (ARA)	**60 years**	60 years	**60 years**	-

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**340,806**	337,612	**155,186**	-
Increase in defined benefit obligation due to 1% increase in salary	**156,725**	144,877	**58,884**	-

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Group and the Company expects to make a contribution of Rs111M and Rs71.9M respectively to the defined benefit plan during the year 2018.

The average duration of the defined benefit obligation at 30 June 2017 was between 8 and 16 years.

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ii) Retirement benefit under the The Employment Rights Act 2008

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Present value of unfunded obligations	**649,901**	500,121	**125,731**	-

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**500,121**	441,783	**-**	-
Amalgamation adjustment	**-**	-	**66,847**	-
Disposal of subsidiaries (Note 37(b))	**-**	(792)	**-**	-
Amount recognised in profit or loss	**77,960**	60,997	**12,545**	-
Amount recognised in other comprehensive income	**115,135**	9,824	**53,147**	-
Exchange difference	**8**	16	**-**	-
Retirement benefit paid	**(43,323)**	(11,707)	**(6,808)**	-
At 30 June	**649,901**	500,121	**125,731**	-

Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Current service cost	**51,932**	30,430	**7,907**	-
Past service cost	**-**	270	**-**	-
Settlement cost	**(7,601)**	-	**-**	-
Net interest cost	**33,629**	30,297	**4,638**	-
Components of amount recognised in profit or loss	**77,960**	60,997	**12,545**	-
Remeasurement of the net defined benefit liability:				
Liability experience loss	**77,813**	1,474	**30,053**	-
Loss due to changes in financial assumptions	**37,322**	8,350	**23,094**	-
Components of amount recognised in other comprehensive income	**115,135**	9,824	**53,147**	-
At 30 June	**193,095**	70,821	**65,692**	-

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ii) Retirement benefit under the The Employment Rights Act 2008 (Cont'd)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**500,121**	441,783	**-**	-
Amalgamation adjustment	**-**	-	**66,847**	-
Current service cost	**51,932**	30,430	**7,907**	-
Settlement cost	**(7,601)**	-	**-**	-
Interest cost	**33,629**	30,297	**4,638**	-
Past service cost	**-**	270	**-**	-
Actuarial gains arising from experience adjustments	**77,813**	1,474	**30,053**	-
Actuarial gains arising from changes in financial assumptions	**37,322**	8,350	**23,094**	-
Retirement paid	**(43,323)**	(11,707)	**(6,808)**	-
Disposal of subsidiary	**-**	(792)	**-**	-
Exchange difference	**8**	16	**-**	-
At 30 June	**649,901**	500,121	**125,731**	-

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Discount rate	**6.0% - 6.5%**	6.5% - 7%	**6%**	-
Future long term salary increase	**3.5% - 5.0%**	3.5% - 5.5%	**4%**	-

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ii) Retirement benefit under the The Employment Rights Act 2008 (Cont'd)

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**82,079**	42,040	**14,464**	-
Increase in defined benefit obligation due to 1% increase in salary	**104,678**	49,053	**15,916**	-

(iii) Defined contribution plans

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Contributions for the defined contribution plans	**146,283**	114,157	**14,365**	-

(iv) State pension plan

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
National Pension Scheme contribution expensed	**266,841**	223,926	**7,410**	-

23. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Amounts payable to related companies	**64,364**	92,946	**36,135**	4,170
Trade payables	**2,544,735**	2,661,306	**266,073**	-
Other creditors and accruals	**5,913,224**	4,184,058	**1,418,512**	19,825
Dividend payable to non controlling interest	**-**	7,210	**-**	-
	8,522,323	6,945,520	**1,720,720**	23,995

The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

24. TAXATION

Income tax is calculated at the rate of 15% (2016: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
At 1 July	**98,658**	88,495	**(687)**	(771)
Opening balance on acquisition of subsidiaries (Note 37(a))	**-**	7,814	**-**	-
Amalgamation adjustment (Note 43)	**-**	-	**3,065**	-
Over/(under) provision in income tax in previous years	**22,957**	6,274	**(2,076)**	-
Provision for the year	**305,526**	296,237	**15,665**	84
Tax paid	**(372,164)**	(295,729)	**(3,296)**	-
Tax refunded	**56,855**	-	**-**	-
Tax deducted at source	**(30,576)**	(4,521)	**(7,774)**	-
Exchange difference	**(195)**	88	**-**	-
At 30 June	**81,061**	98,658	**4,897**	(687)
Tax assets	**(34,111)**	(37,272)	**-**	(687)
Tax liabilities	**115,172**	135,930	**4,897**	-
	81,061	98,658	**4,897**	(687)

24. TAXATION (CONT'D)

(b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Provision for the year - continuing operations	**305,526**	296,237	**15,665**	84
TDS adjustment	**46,342**	-	**23,577**	-
Exchange difference	**(241)**	-	**-**	-
Over/(under) provision in income tax in previous years	**22,957**	6,274	**(2,076)**	-
Deferred tax movement (Note 7)	**(2,438)**	43,957	**(32,806)**	-
Contribution CSR	**34,361**	30,868	**1,000**	49
Tax expense for the year	**406,507**	377,336	**5,360**	133
Attributable to:				
- Continuing operations	**406,507**	377,220	**5,360**	133
- Discontinued operations (Note 18)	**-**	116	**-**	-
	406,507	377,336	**5,360**	133

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Profit before tax from continuing operations	**2,433,024**	1,956,140	**584,046**	55,485
Loss before tax from discontinued operations (Note 18)	**-**	(5,270)	**-**	-
	2,433,024	1,950,870	**584,046**	55,485
Tax calculated at a rate of 17% (2016: 17%)	**413,614**	331,648	**99,288**	9,432
Adjustments for:				
Non-deductible expenses	**204,334**	180,926	**71,576**	121,503
Exempt income	**(129,815)**	(37,165)	**(164,307)**	(130,839)
Tax losses utilised	**33,989**	450	**-**	-
Tax rate differential	**(53,513)**	(56,628)	**-**	-
Over/(under) provision of deferred tax in previous years	**(681)**	16,940	**(571)**	-
Over/(under) provision in income tax in previous years	**22,957**	6,274	**(2,076)**	-
Share of results of associates and joint ventures	**(106,260)**	(95,807)	**-**	-
Depreciation of assets not qualifying for capital allowances	**5,565**	2,518	**2,539**	-
Deferred tax not recognised	**2,892**	11,435	**-**	-
CSR adjustment	**19,975**	12,591	**(1,089)**	37
Others	**(6,550)**	4,154	**-**	-
Tax expense	**406,507**	377,336	**5,360**	133

25. GOVERNMENT GRANTS

THE GROUP	2017 Rs'000	2016 Rs'000
At 1 July	**79,844**	10,703
Addition during the year	**-**	74,322
Release against depreciation charge	**(10,309)**	(4,105)
Exchange differences	**(59)**	(1,076)
At 30 June	**69,476**	79,844
Non current	**59,734**	73,217
Current	**9,742**	6,627
	69,476	79,844

The grants are in respect of Government assistance to finance construction of hotel and acquisition of plant and equipment in Reunion Island and have been accounted under the income approach. The grants are being released to profit or loss against depreciation charge over the useful life of the assets.

26. REVENUE

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Commercial activities	**24,920,906**	22,691,380	**4,297,547**	-
Hospitality	**5,132,138**	5,075,000	**-**	-
Dividends income	**161,938**	10,939	**870,363**	459,013
Others	**3,627,707**	3,260,587	**93,526**	-
	33,842,689	31,037,906	**5,261,436**	459,013
Attributable to:				
- Continuing operations	**33,842,689**	30,996,394	**5,261,436**	459,013
- Discontinued operations (Note 18)	**-**	41,512	**-**	-
	33,842,689	31,037,906	**5,261,436**	459,013

27. PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
Profit for the year is arrived at after charging/(crediting):	**2017 Rs'000**	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Continuing operations				
Depreciation on property, plant and equipment	**1,588,539**	1,552,954	**79,798**	-
Amortisation of intangible assets	**80,428**	46,194	**11,414**	-
Cost of inventories recognised as expense	**16,587,113**	14,045,250	**3,213,129**	-
Staff costs	**5,233,933**	5,133,795	**499,815**	-
(Gain)/loss on exchange	**5,806**	26	**2,704**	-
Assets written off	**15,971**	1,025	**17**	-
Impairment loss on investments	**(14,311)**	195,295	**271,985**	-
Impairment loss on associated companies	**-**	2,968	**-**	-
Cancellable operating lease	**66,112**	124,711	**-**	-
Reversal of impairment loss on receivables	**(18,090)**	(17,620)	**-**	-
Adjustment to impairment of goodwill	**16,022**	-	**-**	-
Impairment loss recognised on lease receivables	**278,858**	287,004	**-**	-
Impairment loss recognised on trade receivables	**85,303**	81,116	**-**	-
Discontinued operations				
Depreciation on property, plant and equipment	**-**	862	**-**	-
Amortisation of intangible assets	**-**	28	**-**	-
Cost of inventories recognised as expense	**-**	16,282	**-**	-
Staff costs	**-**	3,179	**-**	-

28. OTHER INCOME

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Dividends income	**45**	14,438	**-**	-
Sundry income	**128,845**	292,633	**64,178**	-
Rental income	**30,362**	62,650	**-**	-
Transport income	**81,465**	210	**10,075**	-
Profit on disposal of property, plant and equipment	**164,089**	4,000	**130**	-
Commissions received	**11,349**	11,855	**-**	-
Management fees	**19,301**	6,190	**9,698**	-
Gain on exchange	**125,042**	126,055	**66,144**	-
Directors fee	**1,912**	-	**1,912**	-
Chairmanship fees	**9,891**	-	**9,891**	-
Secretarial fees	**2,829**	-	**3,124**	-
Profit on sale of investment	**2,479**	-	**-**	-
Income from investment	**-**	-	**3,194**	-
Interest on investment income	**1,973**	-	**-**	-
Bad debts recovered	**4,176**	9,695	**-**	-
	583,758	527,726	**168,346**	-
Attributable to:				
- Continuing operations	**583,758**	526,422	**168,346**	-
- Discontinued operations (Note 18)	**-**	1,304	**-**	-
	583,758	527,726	**168,346**	-

29. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Interest income	**20,749**	32,564	**113,457**	616

30. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Interest expense on:				
- Bank loans	**308,302**	264,342	**84,731**	-
- Bank overdrafts	**205,216**	317,017	**153,978**	244
- Other loans	**195,017**	123,633	**115,726**	59,985
- Finance leases	**13,123**	4,822	**1,341**	-
	721,658	709,814	**355,776**	60,229
Attributable to:				
- Continuing operations	**721,658**	708,121	**355,776**	60,229
- Discontinued operations (Note 18)	**-**	1,693	**-**	-
	721,658	709,814	**355,776**	60,229

31. EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Cost of projects written off	**-**	(5,058)	**-**	(894)
Amalgamation costs	**-**	(31,173)	**-**	(31,173)
Profit on disposal of available for sale investments	**-**	(2,583)	**-**	234
Gain on disposal of a subsidiary	**-**	1,457	**-**	-
Fair value adjustment on investment properties	**(72,395)**	33,205	**-**	-
Impairment loss on investments	**(14,311)**	(195,295)	**(271,985)**	(543,225)
Profit on deemed disposal of associated companies resulting from dilution	**-**	20,458	**-**	-
Gain on disposal of associates	**90,260**	25,379	**347,228**	-
Impairment loss on goodwill	**(140,000)**	(47,910)	**-**	-
Dividend received in specie	**-**	185	**-**	310,324
(Loss)/gain on winding up of a subsidiary	**-**	(317)	**-**	-
Impairment loss of investment in associated company	**(6,780)**	(91,099)	**-**	-
Impairment of loans to associate	**(11,810)**	-	**-**	-
	(155,036)	(292,751)	**75,243**	(264,734)

32. DIVIDEND

On 11 November 2016 the Board of Directors declared an interim dividend of Rs0.18 per share and on 11 May 2017 a final dividend of Rs 0.47 per share. The total dividend paid amounted to Rs442,145,626 and was paid on 20 December 2016 and 23 June 2017 respectively.

With respect to the year ended 30 June 2016, prior to the almagamation, the Company had paid dividends of Rs 0.35 per share on 1 June 2016 based on 503,555,550 shares which amounted to Rs176,244,443.

On 2 May 2016, the Board has also approved the distribution of all the shares in Ferney Limited as dividend in specie and the distribution was effected in August 2016.

33. COMMITMENTS

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
(a) Capital commitments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Authorised by the Board of Directors and:				
(i) Contracted for	**506,955**	552,168	**12,828**	-
(ii) Not contracted for	**1,949,470**	1,560,611	**90,125**	-
	2,456,424	2,112,779	**102,952**	-

One of the associated companies has undrawn commitments for loans and receivables amounting to Rs706 million (2016: Rs617 million).

(b) Operating lease arrangements

The Group as lessor

The Group has operating leases for its plant and machinery as well as motor vehicles. These assets are expected to generate a yield ranging from 4.25% % to 10% (2016: 4.25% to 11%) on an on-going basis. All of these plant and equipment held have committed tenants for the next 2 to 5 years. Operating lease contracts contain market review clauses as well as an option to renew.

Operating leases also include the rental of buildings with lease terms of 5 and 7 years. All leases contain escalation clauses based on the market in the event that the lessee exercises its option to renew. The tenants do not have an option to purchase the leased assets at the expiry of the lease period.

Rental income earned during the year was Rs62M (2016: Rs69M) and no direct operating expenses were incurred for the years ended 30 June 2016 and 2017.

33. COMMITMENTS (CONT'D)

(b) Operating lease arrangements (Cont'd)

	2017 Rs'000	2016 Rs'000
Minimum lease rental receivables under non cancellable leases		
Within one year	**48,205**	72,292
Between two to five years	**174,010**	135,151
More than five years	**852**	86
	223,067	207,529

The Group and the Company as lessee

Operating leases relate to warehouse facilities, offices and motor vehicles with lease terms of between 5 to 6 years, with an option to renew. All operating lease contracts contain market review clauses in the event that the lessees exercise their option to renew. The lessees do not have an option to purchase the leased assets at the expiry of the lease period.

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Payments recognised as an expense				
Minimum lease payments	**148,191**	218,459	**808,097**	-

	THE GROUP		THE COMPANY	
Minimum lease rental payable under non cancellable leases	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Within one year	**189,350**	215,269	**683,237**	-
Between two to five years	**670,498**	796,795	**1,238,941**	-
More than five years	**6,537,310**	6,785,572	**-**	-
	7,397,158	7,797,636	**1,922,178**	-

34. CONTINGENT LIABILITIES

One of the subsidiaries, LUX*, is being sued for breach of termination of employment contract and the amount claimed is Rs56.95 million (2016: Rs56.9 million). The directors have been advised that some claims appear unfounded and that the severance allowance/damages claim appear grossly exaggerated. No provision has been made in the financial statements of the subsidiary.

Former employees of another subsidiary, UBP, have initiated legal action in respect of unpaid severance allowances. The estimated payout is Rs54.7 million (2016: Rs29 million), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The subsidiary has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

The Competition Commission of Mauritius ("CCM") has opened an investigation into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") for alleged collusive behaviour. Mauritius Eagle Insurance Co Ltd, a subsidiary, as a member of APHPA received a notice in this regard. After consultation of APHPA, the subsidiary will have a joint defence against CCM. The directors believe that it is too early to assess such investigation and the impact, thereon.

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

The details of guarantees given are as follows:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Bank guarantees	**1,295,745**	958,600	**216,602**	-
Guarantees provided by group companies to subsidiaries	**47,664**	235,124	**47,664**	47,922
Others	**499,267**	-	**-**	-
	1,842,676	1,193,724	**264,266**	47,922

34. CONTINGENT LIABILITIES (CONT'D)

Contingent liabilities of the associated companies of the Group for which no provision has been made are as follows:

THE GROUP	2017 Rs'000	2016 Rs'000
Bank guarantees	**147,212**	413,240
Tax assessment and legal claims	**178,000**	84,070
Financial guarantees and letters of credit	**939,264**	862,467
	1,264,476	1,359,777

The associated companies have bank guarantees and other guarantees in the normal course of their activities. Management consider that no liabilities will arise as the probability for default in respect of the guarantees is remote. Certain associated companies are also subject to tax assessments by regulators and management of these companies are of the opinion that there will be no significant expenses following the settlement of these assessments.

35. RELATED PARTY TRANSACTIONS

	Associates and joint ventures		Other related parties	
THE GROUP	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Balances				
Cash at bank	**46,390**	37,863	**-**	-
Trade and other receivables	**147,676**	350,831	**-**	25,607
Trade and other payables	**64,364**	66,895	**-**	26,051
Bank overdrafts and borrowings	**229,828**	284,677	**-**	-

	Associates and joint ventures		Other related parties	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Transactions				
Sale of goods and services	**418,800**	310,234	**14,871**	66,093
Purchase of goods and services	**573,136**	538,427	**187,726**	25,925
Purchase of property, plant and equipment	**-**	4,154	**-**	-
Profit on disposal of property, plant and equipment	**-**	-	**-**	-
Interest income	**18**	15,536	**-**	-
Interest expense	**10,583**	26,453	**-**	1,029

The Group has not made any provision for doubtful debts with respect to amounts due from related companies at 30 June 2017 (2016: Nil). The review of the financial position of the related companies as well as the market in which they operate are done on a yearly basis.

35. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY	Subsidiaries 2017 Rs'000	Subsidiaries 2016 Rs'000	Associates and joint ventures 2017 Rs'000	Associates and joint ventures 2016 Rs'000
Balances				
Cash at bank	**-**	-	**2,817**	7,492
Trade and other receivables	**1,711,360**	171,262	**45,889**	54,088
Trade and other payables	**14,840**	4,170	**21,295**	-
Borrowings	**160,294**	120,000	**226,711**	-

	Subsidiaries 2017 Rs'000	Subsidiaries 2016 Rs'000	Associates and joint ventures 2017 Rs'000	Associates and joint ventures 2016 Rs'000
Transactions				
Dividend income	**604,532**	248,162	**260,489**	210,031
Interest income	**148,634**	313	**1,112**	301
Interest expense	**13,317**	2,335	**-**	4,028
Gain on disposal of investments	**-**	-	**-**	-
Dividend income (in specie)	**-**	310,238	**-**	-
Administrative expenses	**-**	4,970	**-**	977
Management fees	**37,543**	48,625	**-**	-

In 2015, the Company made a provision for doubtful debts of Rs5 million pertaining to receivable from a subsidiary. There are no additional provision made in 2016 and 2017.

The terms and conditions of transactions with related party are presented in their respective notes.

Compensation paid to key management personnel	THE GROUP 2017 Rs'000	THE GROUP 2016 Rs'000	THE COMPANY 2017 Rs'000	THE COMPANY 2016 Rs'000
Short term benefits	**614,510**	558,167	**108,581**	3,787
Post employment benefits	**33,543**	31,150	**5,789**	-
	648,053	589,317	**114,370**	3,787

36. FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from 2016.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

Gearing ratio

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Total debt	**14,371,175**	14,227,850	**7,318,875**	996,099
Less: Cash and cash equivalents	**(1,457,418)**	(1,592,862)	**(24,820)**	(8,111)
Net debt	**12,913,757**	12,634,988	**7,294,055**	987,988
Total equity	**27,055,679**	26,093,146	**21,405,281**	14,113,255
Debt to capital ratio	**48%**	48%	**34%**	7%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in note 2(B) to the financial statements.

36. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Financial assets				
Investments in subsidiaries, associated companies and joint ventures	**-**	-	**25,532,114**	14,804,597
Available for sale financial assets	**898,108**	973,387	**246,513**	94,604
Held to maturity investments	**167,276**	210,435	**-**	-
Assets classified as held for sale	**-**	577,625	**-**	577,625
Loans and receivables	**8,569,207**	7,200,393	**3,324,432**	225,350
Cash and cash equivalents	**1,457,418**	1,592,862	**24,820**	8,111
	11,092,009	10,554,702	**29,127,879**	15,710,287
Financial liabilities				
Amortised cost	**22,399,133**	20,849,082	**9,034,725**	1,597,719
Liabilities associated with assets classified as held for sale	**-**	525,593	**-**	-
	22,399,133	21,374,675	**9,034,725**	1,597,719

Fair value

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.

- The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The fair value of other financial assets and financial liabilities has been determined using the market interest rates.

36. FINANCIAL INSTRUMENTS (CONT'D)

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2017				
Other financial assets	430,862	244,680	166,562	842,104
2016				
Other financial assets	458,570	244,318	180,917	883,805
Assets classified as held for sale	-	-	577,625	577,625
	458,570	244,318	758,542	1,461,430

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2017				
Investment in subsidiaries	5,198,837	-	12,644,546	17,843,383
Investment in associated companies	3,015,141	-	4,277,769	7,292,910
Investment in joint ventures	-	-	355,771	355,771
Other financial assets	119,275	-	100,418	219,693
	8,333,253	-	17,378,504	25,711,757
2016				
Investment in subsidiaries	8,664,377	-	1,048,277	9,712,654
Investment in associated companies	2,403,310	-	2,431,633	4,834,943
Investment in joint ventures	-	-	257,000	257,000
Other financial assets	75,547	-	19,057	94,604
Assets classified as held for sale	-	-	577,625	577,625
	11,143,234	-	4,333,592	15,476,826

There has been no transfer between Level 1 and Level 3 as at 30 June 2017 and 2016.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in notes 11, 12, 13 and 14.

36. FINANCIAL INSTRUMENTS (CONT'D)

Reconciliation of Level 3 for the Group	**2017 Rs'000**	2016 Rs'000
Balance at 1 July	**180,917**	172,043
Amalgamation adjustment	**84,000**	-
Additions	**-**	226
Disposals	**(93,493)**	(2,064)
Impairment loss	**(8,864)**	(2,748)
Fair value adjustment	**4,321**	13,439
Transfer to other receivables	**(319)**	-
Exchange difference	**-**	21
Balance at 30 June	**166,562**	180,917

The significant unobservable input data involved in the determination of fair value for Level 3 investments include discount rate and the performance of the underlying index rate used. An increase in the discount rate will result in a lower fair value and the higher the performance of the underlying index, the higher the fair value.

Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pounds (GBP).

36. FINANCIAL INSTRUMENTS (CONT'D)

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Currency profile				
Financial assets				
Mauritian Rupee	**7,149,104**	6,273,542	**28,718,602**	14,791,066
US Dollars	**2,159,624**	2,137,519	**389,499**	919,190
Euro	**1,234,694**	1,443,410	**13,058**	31
Great Britain Pounds	**125,261**	96,571	**4,413**	-
Others	**423,326**	603,660	**2,307**	-
	11,092,009	10,554,702	**29,127,879**	15,710,287
Financial liabilities				
Mauritian Rupee	**15,681,258**	13,969,128	**8,073,608**	1,592,706
US Dollars	**3,571,134**	2,480,360	**658,101**	-
Euro	**2,559,254**	4,365,516	**247,609**	5,013
Great Britain Pounds	**16,146**	2,802	**6,451**	-
Others	**571,341**	556,869	**48,956**	-
	22,399,133	21,374,675	**9,034,725**	1,597,719

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

36. FINANCIAL INSTRUMENTS (CONT'D)

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2017 Rs'000	2016 Rs'000	**2017 Rs'000**	2016 Rs'000
Impact - US Dollars				
Profit or loss	**(141,151)**	(34,284)	**(26,860)**	91,919
Impact - Euro				
Profit or loss	**(132,456)**	(292,211)	**(23,455)**	(498)
Impact - Great Britain Pounds				
Profit or loss	**10,912**	9,377	**(204)**	-

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end in the Group and the Company

Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2017 would decrease/increase by Rs77,804,800 (2016: Rs132,688,194) and the Company's profit for the year ended 30 June 2017 would decrease/increase by Rs 33,014,100 (2016: Rs5,510,990). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

36. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis.

The Group's and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statements of financial position. In the case of credit derivatives, the Group is also exposed to or protected from the risk of default of the underlying entity referenced by the derivative.

Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the equity price had increased or decreased by 10%:

- there would be no impact on the net profit at 30 June 2016 and 2017 as equity investments are classified as available-for-sale.

- The other comprehensive income and fair value reserves included in equity would increase/decrease by Rs43,086,000 (2016: Rs45,857,010) for the Group and Rs833,325,300 (2016: Rs1,114,323,061) for the Company, as a result of the changes in fair value of available-for-sale investments.

Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on undiscounted contracted payments:

	THE GROUP				
	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2017					
Finance lease liabilities	-	38,293	119,465	2,085	159,843
Non-interest bearing instruments	-	8,027,958	-	-	8,027,958
Variable interest rate instruments	2,600,925	1,212,224	3,117,408	804,703	7,735,260
Fixed interest rate instruments	2,478,680	1,863,132	1,948,416	185,844	6,476,072
	5,079,605	11,141,607	5,185,289	992,632	22,399,133

36. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk management (Cont'd)

THE GROUP

	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016					
Finance lease liabilities	-	46,315	105,912	1,265	153,492
Non-interest bearing instruments	-	6,601,232	20,000	-	6,621,232
Variable interest rate instruments	4,868,263	2,733,384	4,451,663	1,168,473	13,221,783
Fixed interest rate instruments	-	350,000	502,575	-	852,575
	4,868,263	9,730,931	5,080,150	1,169,738	20,849,082

THE COMPANY

	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2017					
Finance lease liabilities	-	7,233	11,948	667	19,848
Non-interest bearing instruments	-	1,715,850	-	-	1,715,850
Variable interest rate instruments	2,128,913	426,971	745,527	-	3,301,411
Fixed interest rate instruments	2,085,000	1,412,328	500,288	-	3,997,616
	4,213,913	3,562,382	1,257,763	667	9,034,725

THE COMPANY

	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2016					
Non-interest bearing instruments	-	601,620	-	-	601,620
Variable interest rate instruments	42,099	250,000	259,000	-	551,099
Fixed interest rate instruments	-	220,000	225,000	-	445,000
	42,099	1,071,620	484,000	-	1,597,719

Financial guarantees and commitments

One of the subsidiaries has hedged its borrowings denominated in US dollars and Euros. The cash flow hedge recognises the effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves and at 30 June 2017, there was a negative reserve of Rs102,175,000 (2016: Rs77,134,000) The amount included in "other reserves" is Rs67,661,000 (2016: Rs30,337,000) while amount attributable to non-controlling interests is Rs34,514,000 (2016: Rs46,797,000). The movement for the year amounting to Rs16,182,000 in 2017 (2016: Rs5,903,000) relates to exchange differences on translation of US Dollar and Euro at year end rate as well as the portion of exchange difference reserve realised on repayment of borrowings. An amount of Rs3,899,000 (2016: Rs2,322,000) is attributable to the Company and Rs12,283,000 (2016: Rs3,581,000) to non-controlling interests.

37. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries

In July 2016, the Group has acquired two subsidiaries namely Ze Dodo Trail Ltd and Speciality Risk Solutions Ltd for a consideration of Rs2.5 million and Rs1 million respectively.

On 1 April 2016, one of the subsidiaries, Phoenix Beverages Ltd has acquired 100% shareholding of Edena S.A. and its subsidiaries for a total consideration of Rs837,522,000 out of which Rs112,779,000 is deferred.

Under the contingent consideration arrangement, the subsidiary is required to pay the vendor Rs38,633,000 at 30 June 2017 and Rs74,146,000 at 30 June 2018. The deferred consideration bears interest at 3% p.a. and the fair value of the consideration is not contingent on the occurrence of any events or circumstances.

On 10 July 2015, Ireland Blyth Limited has acquired the remaining 50% shareholding in Fresh Cuts (U) Ltd for a total consideration of Rs163,150,000 thus, obtaining the control of the entity.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2017 Rs'000	2016 Rs'000
Assets		
Property, plant and equipment	-	541,676
Intangible assets	-	43,556
Inventories	-	90,402
Trade and other receivables	19	206,936
Deferred tax assets	-	26,213
Cash and cash equivalents	-	58,779
	19	967,562
Liabilities		
Borrowings	-	345,694
Bank overdraft	-	14,034
Trade and other payables	69	349,373
Retirement benefit obligations	-	-
Tax payable	-	7,814
Deferred tax liabilities	-	6,595
	69	723,510
Fair value of net assets acquired	(50)	244,052
Consideration paid in cash	3,500	760,593
Deferred consideration arrangement	-	112,779
Non cash consideration paid (current account receivable)	-	35,250
Fair value of previously held interests	-	92,050
	3,500	1,000,672
Goodwill	3,550	756,620

37. BUSINESS COMBINATIONS (CONT'D)

Cash flow	2017 Rs'000	2016 Rs'000
Consideration paid in cash	**3,500**	760,593
Less cash and cash equivalents acquired in subsidiary	**-**	(44,745)
Net cash outflow on acquisition	**3,500**	715,848

The goodwill arising from the acquisition of Speciality Risk Solutions Ltd is mainly attributable to the access to a specialised partner which is the global leader in its field and the potential profitability to be reaped from this service in the long term. The acquistion of Ze Dodo Trail Ltd is mainly to obtain the brandname of 'Dodo Trail'.

Goodwill arose in the acquisition of Edena S.A. because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Edena S.A. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arose in the acquisition of Fresh Cut (U) Ltd as the consideration paid included amounts in relation to the benefit of expected synergies of services and products.

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2016 include an amount of Rs308 million and a loss of Rs15 million respectively attributable to the additional business generated by the acquired subsidiaries.

Had these business combinations been effective at 1 July 2015, the Group's revenue from continuing operations and earnings from continuing operations for the year would have increased by Rs534 million and Rs63 million respectively. The directors consider these pro forma figures to represent an approximate measure of the performance of the combined Group over a year and to provide a reference point for comparison in future periods.

37. BUSINESS COMBINATIONS (CONT'D)

(b) Disposal of subsidiaries

Ireland Blyth Limited has disposed of its 60% shareholding in Smag Limitee on 31 December 2015.

Analysis of assets and liabilities over which control was lost:

	2016 Rs'000
Assets	
Property, plant and equipment	9,166
Intangible assets	21
Trade and other receivables	32,185
Cash and cash equivalents	3,420
Inventories	42,003
	86,795
Liabilities	
Trade and other payables	38,421
Borrowings	34,842
Retirement benefit obligations	792
Bank overdrafts	43
Deferred tax liabilities	125
	74,223
Net assets disposed	12,572
Share of net assets disposed	7,543
Profit/(loss) on disposal	1,457
	9,000
Consideration	
Consideration received in cash	9,000
Net cash outflow on disposal	
Consideration received in cash	9,000
Cash and cash equivalents in subsidiary disposed of	(3,377)
	5,623

37. BUSINESS COMBINATIONS (CONT'D)

(c) Change in percentage holding in subsidiaries without loss of control

Acquistion of additional interest in subsidiaries

On 2 December 2015, as part of its strategy to strengthen its position in Mauritius, the IBL group has signed an agreement with Shophold (Mauritius) Ltd to purchase the remaining 49% held by the latter in Winhold Limited. Winhold Limited is the holding company of Pick and Buy Limited (Winner's supermarkets) and IBL Properties Limited (the property development arm of Winner's).

On 26 November 2015, Ireland Blyth Limited injected Rs300M in Mauritian Eagle Leasing Company Ltd hence increasing the effective shareholding from 79.6% to 94.57%.

The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the parent of Rs39,361,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2016 Rs'000
Cash consideration paid to non-controlling interests	548,720
Less: Carrying amount of non-controlling interests acquired	509,359
Adjustment recognised in other reserves (Debit)	39,361

On 20 December 2016, the Group acquired an additional 5% of the issued shares of Manser Saxon Contracting Ltd for a purchase consideration of Rs25,673,185. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs462,751. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2017 Rs'000
Consideration paid to non-controlling interests	**25,673**
Less: Carrying amount of non-controlling interests acquired	**25,210**
Adjustment recognised in retained earnings (Debit)	**463**

37. BUSINESS COMBINATIONS (CONT'D)

(c) Change in percentage holding in subsidiaries without loss of control (Cont'd)

On 31 March 2017, the Group acquired an additional 5% of the issued shares of Rouclavier Ltd for a purchase consideration of Rs12,000,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the parent of Rs11,607,728. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2017 Rs'000
Consideration paid to non-controlling interests	**12,000**
Carrying amount of non-controlling interests acquired	**392**
Adjustment recognised in retained earnings (Debit)	**11,608**

Disposal of interest in subsidiaries without loss of control

Following the conversion of bonds by LUX* shareholders on 31 December 2015, the Company's shareholding in LUX* was diluted from 39.36% to 39.33%. This resulted in an increase in non-controlling interests of Rs1,554,151 and a increase in equity attributable to owners of the parent of Rs804,693.

Following the conversion of bonds by LUX* bond holders on 31 December 2016, the Company's shareholding in LUX* was diluted from 39.33% to 39.27%. This resulted in an increase in non-controlling interests of Rs2,252,425 and a increase in equity to owners of the parent of Rs1,615,287. The effect of changes in the ownership interest on the equity attributable to owners of the company is summarised as follows:

	2017 Rs'000	2016 Rs'000
Deemed consideration received from non-controlling interests	**3,867**	2,359
Less: Carrying amount of non-controlling interests acquired	**2,252**	1,554
Adjustment recognised in retained earnings (Credit)	**1,615**	805

37. BUSINESS COMBINATIONS (CONT'D)

(c) Change in percentage holding in subsidiaries without loss of control (Cont'd)

Disposal of interest in subsidiaries without loss of control (Cont'd)

On 23 December 2015, the group disposed of 49% interest held in Medical Trading International Ltd via capital injection. This resulted in an increase in non-controlling interests of Rs 2,447,465 and a decrease in equity attributable to owners of the parent of Rs 683,465. The effect of changes in the ownership interest on the equity attributable to owners of the company is summarised as follows:

	2016 Rs'000
Consideration received from non-controlling interests	1,764
Less: Carrying amount of non-controlling interests disposed	2,447
Adjustment recognised in other reserves (Debit)	(683)

	2017 Rs'000	2016 Rs'000
Total adjustments recognised in equity	**(10,456)**	(39,239)
Attributable to:		
Owners of the Company	**(10,456)**	(18,696)
Non-controlling interests	**-**	(20,543)
	(10,456)	(39,239)

38. EVENTS AFTER THE REPORTING PERIOD

Following a Special Meeting dated 23 August 2017, the shareholders have approved a multicurrency medium term secured and unsecured note programme of up to an aggregate nominal amount of Rs 10 billion. The shareholders have also approved the issue of 5 series (each a 'Series') of notes with tenor periods ranging from 2 to 7 years to sophisticated investors by way of private placement for an aggregate nominal amount of Rs2.5 billion increasing up to a maximum of of Rs5 billion in the event of oversubscription. In September 2017, the Board has taken the decision to accept a portion of oversubscribed amounts obtained and to issue Notes for an aggregate nominal amount of Rs 3 billion.

The Stock Exchange of Mauritius had granted its approval on 9 August 2017 for the listing of Series 2 to 5 of the Notes on the Official Market. The first day of trading of the Notes will take place on or before 4 December 2017.

One of the subsidiaries, Winhold Limited, has entered into an agreement to acquire 14,821,284 ordinary shares representing 90.96% of the capital of Compagnie des Magasins Populaires Limitee. This acquisition is subject to certain prerequisite conditions being satisfied.

39. CONSTRUCTION CONTRACTS

The Group is making the following disclosures in respect of construction contracts:

	2017 Rs'000	2016 Rs'000
(i) Contract revenue	**1,770,339**	1,780,282
(ii) In respect of construction contracts in progress at reporting date:		
(a) Retentions held by customers (included in trade and other receivables)	**118,066**	36,932
(b) Advances received from customers (included in trade and other payables)	**312,248**	115,710
(c) Net amount due for contract works:		
Amount due from customers (included in trade and other receivables)	**667,444**	535,136
Amount due to customers (included in trade and other payables)	**(356,827)**	(115,710)
	310,617	419,426
Contract costs incurred plus recognised profits less recognised losses to date	**1,619,249**	1,122,489
Less: Progress billings	**(1,308,632)**	(703,063)
	310,617	419,426

40. SHARE BASED PAYMENT

Lux Island Resorts Ltd, through its subsidiary, Lux Hospitality Ltd (LHL), has implemented an executive share scheme as described below:

Executive share scheme

The type of share-based payment that LHL has opted is an "equity-settled" share-based payment. A shared understanding of the terms and conditions of the share based payment arrangements has been agreed between LHL and its senior management team. At grant date, LHL will confer to its executives the right to equity instruments in LHL subject to certain vesting conditions.

The executive team will be entitled to shares in LHL after a vesting period. Such vesting period is the period between the grant date and the date the shares are allotted. This period has been fixed by the board at three years during which the senior management team members have to remain in employment with LHL or other companies forming part of Lux Group of Companies. Therefore, these equity instruments will be fully vested at the end of the financial year June 2016.

Once the shares are issued, they will rank 'pari passu' as to dividend, capital, voting rights and in all other respects with the existing shares of LHL.

The number of shares granted is calculated in accordance with a performance-based formula approved by the Remuneration Committee. The formula rewards executives to the extent of the LUX* group's and the individual achievement judged against both qualitative and quantitative criteria from the following measures:

(i) improvement in Lux Island Resorts Ltd share price;
(ii) improvement in the LUX* group EBITDA and free cash flow; and
(iii) elevating guest experience.

40. SHARE BASED PAYMENT (CONT'D)

The total number of options granted for the financial year 2017 is 1,102,314 (2016: 2,418,148) at 30 June 2017, total options granted amounted to 6,180,653 out of which 2,660,191 will vest if the executives are still in continuous employment at the end of 30 June 2017. During the year ended 30 June 2017, 3,554,822 shares have been issued pursuant to the share scheme.

The Board had also awarded 6,707,922 shares in 2014 to certain key executives which will vest in 3 equal instalments. Vesting of each tranche is conditional on the executive having been in continuous service at the end of each relevant year. The last tranche vested under this scheme is 2,235,974.

For the year ended 30 June 2017, a total charge of Rs3.4 million (2016: Rs7.1 million) has been recognised as share based payment expense in profit or loss for executive still in employment at year end based on the fair value of LHL shares awarded.

The equity instruments of LHL are not publicly traded, the fair value of the equity instrument granted was determined using the discounted cash flow method by an independent professional valuer.

Furthermore, during the year 2016, the Board of Directors has decided to grant the treasury shares of Lux Island Resorts Ltd of Rs18,081,000 to the Chief Executive Officer as remuneration in line with his employment contract.

41. SEGMENTAL INFORMATION - GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

- Agro
- Building & Engineering
- Commercial
- Financial & Other Services
- Hospitality
- Logistics
- Manufacturing & Processing
- Property
- Life
- Corporate Services

The segment information reported below does not include any amounts for the Group's discontinued operations. More information is given in note 18.

41. SEGMENTAL INFORMATION - GROUP (CONT'D)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

30 June 2017

	Building & Engineering	Commercial	Financial & Other Services	Hospitality
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	8,420,424	11,280,600	1,855,308	5,132,138
Results				
Segment result	693,504	473,519	224,548	756,980
Finance costs				
Finance income				
Exceptional items				
Share of results of associates and joint ventures				
Profit before taxation (continuing operations)				
Taxation				
Profit for the year				

30 June 2016

	Building & Engineering	Commercial	Financial & Other Services	Hospitality
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	7,250,374	10,452,374	1,845,175	5,075,987
Results				
Segment result	634,148	431,426	14,008	634,078
Finance costs				
Finance income				
Exceptional items				
Share of results of associates				
Profit before taxation (continuing operations)				
Taxation				
Profit for the year				

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

Manufacturing & processing	Logistics	Properties	Innovation	Corporate services	Consolidation adjustments	**Total**
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
7,632,960	1,568,704	168,587	123,816	622,391	(2,962,239)	**33,842,689**
628,395	107,787	112,607	(96,535)	28,831	(265,725)	**2,663,911**
						(721,658)
						20,749
						(155,036)
						625,058
						2,433,024
						(406,507)
						2,026,517

Manufacturing & processing	Logistics	Properties	Innovation	Corporate services	Consolidation adjustments	Total
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
6,798,092	1,454,122	12,496	244,057	780,735	(2,917,018)	30,996,394
632,318	136,856	110,226	25,330	(61,097)	(216,057)	2,341,236
						(708,121)
						32,564
						(292,751)
						583,212
						1,956,140
						(377,220)
						1,578,920

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

41. SEGMENTAL INFORMATION - GROUP (CONT'D)

(ii) Segment assets and liabilities

30 June 2017

Assets	Building & Engineering	Commercial	Financial & Other Services	Hospitality
	Rs'000	Rs'000	Rs'000	Rs'000
Segment Assets	10,192,697	3,775,805	3,577,577	11,426,009
Investments in associates, joint ventures and other financial assets				
Deferred tax assets				
Tax assets				
Consolidated total assets				
Liabilities				
Segment liabilities	3,938,624	1,995,432	2,704,091	5,168,287
Deferred taxation				
Tax payable				

30 June 2016

Assets	Building & Engineering	Commercial	Financial & Other Services	Hospitality
	Rs'000	Rs'000	Rs'000	Rs'000
Segment Assets	9,569,072	3,312,331	4,038,026	11,459,991
Investments in associates, joint ventures and other financial assets				
Deferred tax assets				
Tax assets				
Assets classified as held for sale				
Consolidated total assets				
Liabilities				
Segment liabilities	4,465,780	2,499,823	2,906,613	5,148,184
Deferred taxation				
Tax payable				
Liabilities associated with assets classified as held for sale				

Manufacturing & processing	Logistics	Properties	Innovation	Corporate services	Consolidation adjustments	**Total**
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
7,844,336	791,989	3,605,195	280,476	2,822,320	(2,293,459)	**42,022,943**
						10,685,542
						241,304
						34,111
						52,983,900
2,675,354	433,381	639,263	379,461	9,617,850	(2,846,730)	**24,705,013**
						1,108,036
						115,172
						25,928,221

Manufacturing & processing	Logistics	Properties	Innovation	Corporate services	Consolidation adjustments	**Total**
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
7,408,494	869,885	2,628,365	311,814	1,513,575	(1,849,778)	39,261,775
						10,024,285
						145,156
						37,272
						1,647,436
						51,115,924
4,461,822	225,545	86,483	258,861	4,069,468	(689,927)	23,432,652
						928,603
						135,930
						525,593
						25,022,778

41. SEGMENTAL INFORMATION - GROUP (CONT'D)

(ii) Segment assets and liabilities (Cont'd)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than taxes and investments in associates, joint ventures and other financial assets. Goodwill is allocated to reportable segments as described in note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

- all liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) Other segment information

Additions to non-current assets (include property, plant and equipment, investment properties, intangible assets and exclude investments, deferred tax assets and finance lease receivables) and depreciation and amortisation.

	Building & Engineering	Commercial	Financial & Other Services	Hospitality
	Rs'000	Rs'000	Rs'000	Rs'000
30 June 2017				
Additions to non-current assets	524,947	167,739	134,738	1,317,919
Depreciation and amortisation	361,640	131,426	132,973	443,573
30 June 2016				
Additions to non-current assets	386,157	164,489	94,095	831,114
Depreciation and amortisation	359,449	125,005	122,052	429,003

Manufacturing & processing	Logistics	Properties	Innovation	Corporate services	**Total**
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**
453,996	68,903	374,693	28,734	22,123	**3,093,792**
427,531	56,178	36,005	17,393	62,248	**1,668,967**
584,988	67,386	76,799	34,617	11,730	**2,251,375**
376,640	65,781	34,691	18,691	67,836	**1,599,148**

41. SEGMENTAL INFORMATION - GROUP (CONT'D)

(iii) Other segment information (Cont'd)

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

		2017 Rs'000	2016 Rs'000
Building & Engineering	- Contracting & equipment	**8,420,424**	7,250,374
Commercial	- Consumer goods & chain of supermarkets	**11,280,600**	10,452,374
Financial Services	- Insurance, leasing and management services	**1,855,308**	1,845,175
Hospitality	- Hotels operation	**5,132,138**	5,075,987
Manufacturing & processing	- Sale of beverages, marine services	**7,632,960**	6,798,092
Logistics	- Freight forwarding	**1,568,704**	1,454,122
Innovation	- Medical reseach	**123,816**	244,057
Others		**790,978**	793,231
Consolidation Adjustments		**(2,962,239)**	(2,917,018)
		33,842,689	30,996,394

Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

Geographical information

The Group's operations are located in the countries as described below.
The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2017 Rs'000	2016 Rs'000
Mauritius	**29,055,991**	27,125,999
Europe	**119,917**	184,029
USA	**91,861**	4,785
Madagascar, Comoros, Seychelles & Reunion	**1,847,290**	805,890
Dubai, Africa, Australia & others	**1,711,217**	1,707,304
Maldives	**1,016,413**	1,168,387
	33,842,689	30,996,394

42. EARNINGS PER SHARE

	2017	2016 (Restated)
	Rs	Rs
Earnings per share		
- From continuing and discontinued operations	**1.64**	1.49
- From continuing operations	**1.64**	1.49

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2017	2016 (Restated)
	Rs'000	Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing and discontinued operations	**1,113,864**	748,426
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing operations	**1,113,864**	751,049
Weighted average number of ordinary shares	**680,224,040**	503,555,551

43. AMALGAMATION

As of 1 July 2016, Ireland Blyth Limited was amalgamated with and into the Company by way of a share for share exchange. The shareholders of Ireland Blyth Limited has received 4.8277 shares of the Company for each share held in the entity. Following the amalgamation, the Company has issued 176,668,490 shares of no par value amounting to Rs464,058,320.

The 2016 comparatives presented in the financial statements for Company represent the IBL Ltd (formerly GML Investissement Ltee) figures only.

43. AMALGAMATION (CONT'D)

Details of the assets and liabilities of Ireland Blyth Limited amalgamated at 1 July 2016 are as follows:

	Rs'000
Non-current assets	
Property, plant and equipment	1,714,325
Investment property	200,200
Intangible assets	54,786
Investments in subsidiaries	8,262,672
Investments in associates	862,264
Investments in joint ventures	56,050
Investments in securities	142,328
Deferred tax assets	23,051
Current assets	
Inventories	850,932
Trade and other receivables	2,453,849
Cash and bank balances	74,874
Total assets	14,695,331
Non-current liabilities	
Obligations under finance leases	11,336
Long-term loans and deposits	489,758
Retirement benefit obligations	666,176
Current liabilities	
Bank overdrafts	3,682,032
Short-term loans and deposits	464,956
Obligations under finance leases	4,517
Tax payable	3,065
Trade and other payables	1,470,630
Total liabilities	6,792,470

Net cash flow

Consideration paid in cash	-
Less cash and cash equivalents received on amalgamation	(3,607,158)
Net cash inflow on amalgamation	(3,607,158)

Impact of the amalgamation on the Company's financial statements:

Consideration

Issue of shares	(464,058)
Cancellation of the shares of Ireland Blyth Limited	906,480
Fair value of investments of Ireland Blyth Limited	5,861,400
Reversal of investment in Ireland Blyth Limited	(920,070)
Amalgamation reserves - Capital contribution	5,383,752

43. AMALGAMATION (CONT'D)

At Group level, in view that Ireland Blyth Limited was a subsidiary of IBL Ltd, it has been assumed that the entities have always been combined. Hence, the balance of non-controlling interest recognised by IBL Ltd has been reclassified to equity attributable to owners of the Company. This has required the restatement of opening balance of earliest prior period presented (i.e. 1 July 2015) and the comparative amounts disclosed for year ended 30 June 2016.

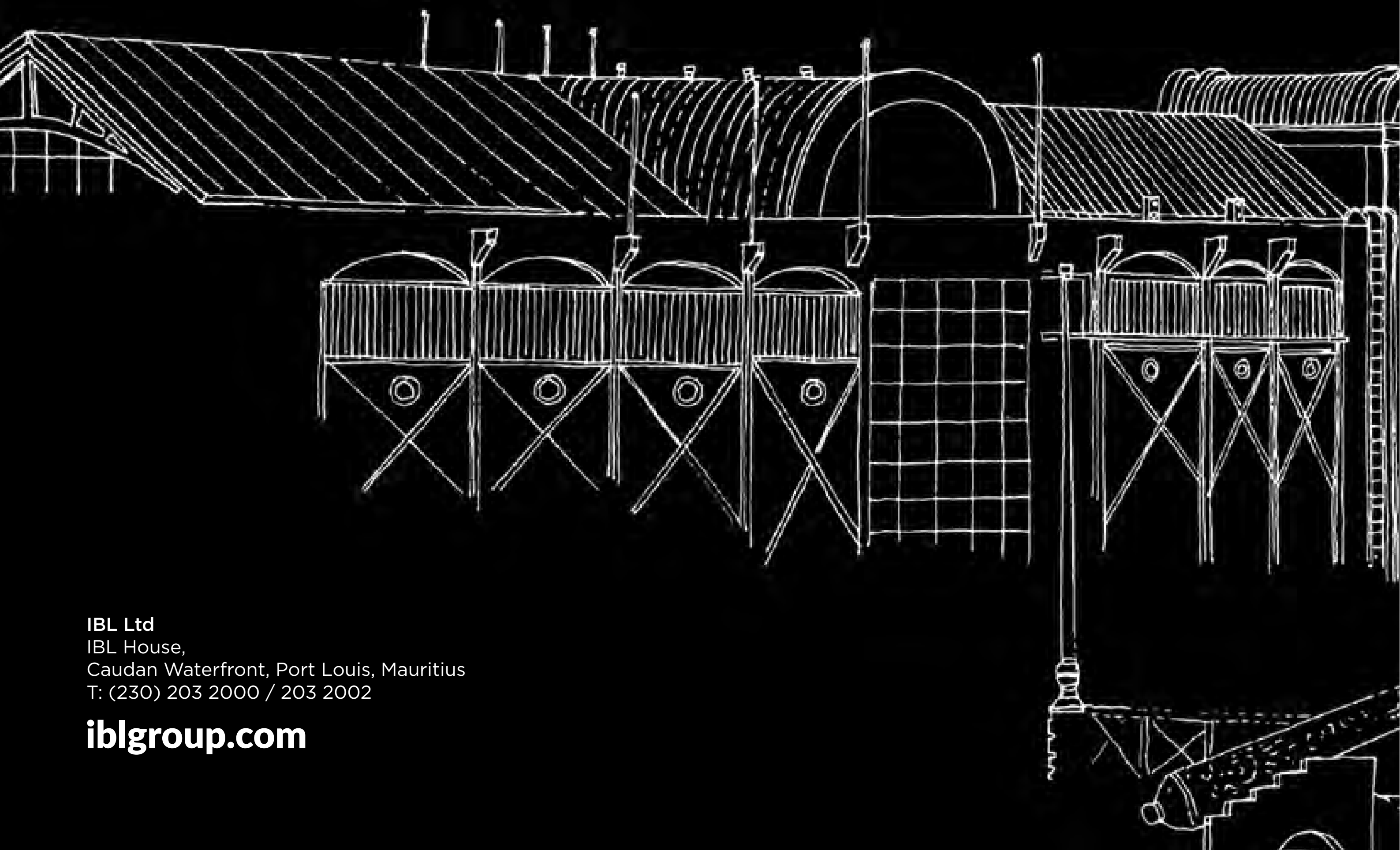
	As previously reported	Reclassification on amalgamation	As restated
	Rs'000	Rs'000	Rs'000
At 30 June 2015			
Equity attributable to owners - Revaluation and other reserves	13,360,501	2,462,973	15,823,474
Non controlling interest	12,734,317	(2,462,973)	10,271,344
At 30 June 2016			
Equity attributable to owners - Revaluation and other reserves	13,205,568	2,639,269	15,844,837
Non controlling interest	12,887,578	(2,639,269)	10,248,309
Year ended 30 June 2016			
Profit for the year attributable to owners of the Company	528,958	219,468	748,426
Profit for the year attributable to non controlling interest	1,044,576	(219,468)	825,108
Total comprehensive income for the year attributable to owners of the Company	620,735	176,296	797,031
Total comprehensive income for the year attributable to non controlling interest	1,111,159	(176,296)	934,863
Earning per share			
- From continuing and discontinued operations	1.05	0.44	1.49
- From continuing operations	1.06	0.43	1.49

44. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

Statements of profit or loss and other comprehensive income	Year ended 30 June 2017	Year ended 30 June 2016 (Restated)	Year ended 30 June 2015 (Restated)
	Rs'000	Rs'000	Rs'000
Revenue	33,842,689	30,996,394	28,729,053
Share of results of associates and joint ventures	625,058	583,212	419,010
Profit before taxation	2,433,024	1,956,140	2,149,243
Income tax charge	(406,507)	(377,220)	(301,444)
Profit for the year from continuing operations	2,026,517	1,578,920	1,847,799
Profit for the year from discontinued operations	-	(5,386)	(86,957)
Profit for the year	2,026,517	1,573,534	1,760,842
Other comprehensive income for the year, net of tax	(20,822)	158,360	(55,501)
Total comprehensive income for the year	2,005,695	1,731,894	1,705,341
Profit attributable to:			
- Owners of the parent	1,113,864	748,426	876,861
- Non-controlling interests	912,653	825,108	883,981
	2,026,517	1,573,534	1,760,842
Total comprehensive income attributable to:			
- Owners of the parent	1,135,471	797,031	781,619
- Non-controlling interests	870,224	934,863	923,722
	2,005,695	1,731,894	1,705,341
Dividend	(442,146)	753,869	165,164

44. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP (CONT'D)

Statements of financial position	2017	2016 (Restated)	2015 (Restated)
	Rs'000	Rs'000	Rs'000
Assets			
Non current assets	**38,571,417**	36,599,679	36,294,035
Current assets	**14,412,483**	12,868,809	12,857,410
Non-current assets classified as held for sale	**-**	1,647,436	21,300
Total assets	**52,983,900**	51,115,924	49,172,745
Equity and liabilities			
Share capital and reserves	**16,424,050**	15,844,837	15,823,474
Non-controlling interests	**10,631,629**	10,248,309	10,271,344
Total equity	**27,055,679**	26,093,146	26,094,818
Liabilities			
Non current liabilities	**9,087,730**	8,833,521	8,741,824
Current liabilities	**16,840,491**	15,663,664	14,336,103
Liabilities associated with assets held for sale	**-**	525,593	-
Total liabilities	**25,928,221**	25,022,778	23,077,927
Total equity and liabilities	**52,983,900**	51,115,924	49,172,745



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