



A tropical scene featuring several palm trees against a bright, hazy sky. In the foreground, there is a field of tall, green grass. On the left side, the shoulder and arm of a person wearing a light-colored shirt and blue checkered trousers are visible. A street lamp is partially seen in the top left corner.

**Energy drives performance.**





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## CHIEF FINANCE AND INVESTMENT EXECUTIVE'S REPORT

“The Group maintained its strategic investment momentum towards sustainable growth in shareholder value.”

### Overview

Rogers delivered satisfactory results for the financial year 2016. The Group maintained its strategic investment momentum towards sustainable growth in shareholder value. In that respect, acquisitions were carried out in the Financial Services, Logistics and Property sectors namely :

- the acquisition of 100% holding in River Court Administrators Ltd,
- in two Kenyan-based entities, namely in Gencargo Services Ltd and 80% holding in Gencargo (Transport) Ltd,
- an additional 34.9% stake in Bagaprop Ltd, a 100% stake in Gardens of Bagatelle Ltd, and a 25% stake in Mall of Mauritius at Bagatelle Ltd.

Total assets of the Group grew by 30% to reach Rs29.5bn and financial ratios were within set targets.

This year's presentation of the financial statements of the Group has been reworked to provide greater clarity and explanation in the notes to the financial statements. More specifically, accounting policy notes have been adjoined to the relevant accounting items.

### Financial Performance

During the year 2016, total revenue increased by 14%. All sectors witnessed increases except for Real Estate and Agribusiness where a one-off sale of land in 2015 boosted revenue in that sector. Profit from the direct operations of the Group excluding the results from listed associates and Real Estate and Agribusiness sector improved by 30%. Associate earnings from New Mauritius Hotels were impacted by non-recurring rebranding and reorganisation costs. The drop was also compounded by the setback of the property development currently undertaken at Floreal Commercial Centre. Profit for the year ended 30 June 2016 was Rs890m, a drop of 15% against last year's earnings.

Group EBITDA for the year increased by 7% led by the Property sector and the consolidation of Bagaprop Ltd as a subsidiary company. Excluding results from associates and fair value gains, EBITDA from directly-managed operations increased by 38% led to a large extent by Hotels, Logistics and the Property sectors.

### Sector Performance

|                            | REVENUE           |                   | EBITDA*           |                   | PAT*              |                   |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                            | 2016<br>12 months | 2015<br>12 months | 2016<br>12 months | 2015<br>12 months | 2016<br>12 months | 2015<br>12 months |
| Aviation                   | 551               | 540               | 47                | 73                | 16                | 42                |
| Financial Services         | 266               | 145               | 154               | 132               | 131               | 117               |
| Hotels                     | 2,040             | 1,860             | 311               | 343               | 120               | 172               |
| Logistics                  | 3,125             | 3,002             | 253               | 193               | 100               | 76                |
| Property                   | 1,164             | 508               | 952               | 666               | 594               | 536               |
| Real Estate & Agribusiness | 681               | 1,076             | (42)              | 271               | (85)              | 156               |
| Technology                 | 343               | 262               | 47                | 35                | 27                | 17                |
| Corporate Office           | 257               | 165               | (21)              | (95)              | (32)              | (104)             |
| Corporate Treasury         | -                 | -                 | 81                | 46                | (84)              | (39)              |
| Group Elimination          | (260)             | (407)             | -                 | -                 | -                 | -                 |
| <b>Total</b>               | <b>8,167</b>      | <b>7,151</b>      | <b>1,782</b>      | <b>1,664</b>      | <b>787</b>        | <b>973</b>        |

\* excluding exceptional items



BUNDHUN, Ziyad

Chief Finance and Investment Executive  
Executive Director since 2012



## Cash Generation and Utilisation

Cash generated from operation increased by 26% to Rs1.3bn. The Group pursued its planned investment strategies and Rs2.6bn cash were applied as follows :

- Rs1.7bn towards the Property sector for the acquisition of 34.9% of Bagaprop Ltd, 100% of Gardens of Bagatelle Ltd and the extension of two commercial centres, namely Bagatelle and Phoenix Commercial Centre
- Rs169m for the acquisition of a logistic company in Kenya
- Rs55m for the acquisition of a global business company
- Rs565m for ordinary and preference shares of New Mauritius Hotels Ltd
- Renovation of Veranda Pointe aux Biches hotel at a cost of Rs80m

The investment programme was financed by capital raising comprising of equity and debentures for Rs1.1bn undertaken by Ascencia Ltd. and bank borrowings.

The cash and cash equivalents remain at a stable level of Rs600m.

## Financial Risk Management

Risk factors such as equity market, foreign currency exchange rates, interest rates and debt prices will subsist. The Group embarked on a new approach to risk management, whereby risk prioritising and risk mitigation will prevail. Currency exchange rates remain the most important risk element. At 30 June 2016 net exposure stands at Rs212m, with the impact of adverse currency conversion in some sectors mitigated by same denominating currency loans. Foreign exchange gains of Rs71m were realised during the year on the back of prudent forward currency transactions. Net trade receivables increased from Rs1.5bn to Rs1.9bn with the acquisition of new subsidiaries in a context of highly competitive market. The Group closely monitors policies in place for credit facilities and credit assessment.

## Group Treasury

From a debt management perspective, the Group's debt increased from Rs4.3bn to Rs8.8bn. This increase arises principally through the first-time consolidation of Bagaprop Ltd. and Gardens of Bagatelle Ltd. which together brought a debt of Rs 2.3bn upon consolidation. Further, the Group engaged new bank borrowings of Rs 3.7bn in 2016 with Rs 1.5bn being repaid in that year. This has had the impact of a net current liability position of Rs 0.9bn at 30 June 2016. The issue is being addressed as part of debt restructuring options currently being considered. As a result, the debt to equity ratio increased from 0.29 to 0.54. This year's Group interest cover is 2.68 compared to 4.76 in the previous year, and has been impacted by the one-off non-operational charges of the associated companies. The Corporate office, for its part, has taken advantage of market opportunities towards lowering its effective cost of debt from 6.48% last year to 5.93% for this financial year.

## Enhancing Shareholder Returns

Group profit attributable to shareholders for the year ended 30 June 2016 amounted to Rs405m (2015 : Rs544m). Earnings per share was Rs1.61 (2015 : Rs2.16) yielding to a Price Earnings Ratio of 17.42x (2015 : 14.03x).

The NAV per share improved by 1.6% to Rs37.60, with the discount to NAV per share increasing from 18% to 26%.

Over the year ended 30 June 2016, our share price went down by 7% whilst the all-share index of the Stock Exchange of Mauritius, SEMDEX, fell by 11%.

Cash dividend for the year improved by 5% to Rs0.88 (2015 : Rs0.84) which represents a dividend yield of 3.1%.

## Outlook for Financial Year 2017

The Group completed its four year strategic plan exercise and is well set for its expansion plan. Short term plans will entail allocation of resources to the 4 served markets. In the context of the prevailing favourable financial market conditions, the Group will explore its capital and debt restructuring options as a priority.

In closing, I wish to thank my Finance team colleagues at head-office and the sectors for their dedication, continuous support and commitment in achieving this year's objectives.

| Earnings Per Share*       |          |
|---------------------------|----------|
| 2016                      | 1.35     |
| 2015                      | 1.86     |
| Interest Cover*           |          |
| 2016                      | 2.68     |
| 2015                      | 4.76     |
| Debt-to-Equity            |          |
| 2016                      | 0.54     |
| 2015                      | 0.29     |
| Return on Closing Equity* |          |
| 2016                      | 3.6%     |
| 2015                      | 5.0%     |
| NAV per Share             |          |
| 2016                      | 37.60    |
| 2015                      | 37.00    |
| Share Price               |          |
| 2016                      | Rs 28.00 |
| 2015                      | Rs 30.30 |
| Price/Earnings Ratio      |          |
| 2016                      | 17.4     |
| 2015                      | 14.0     |
| Dividend Yield            |          |
| 2016                      | 3.1%     |
| 2015                      | 2.8%     |

\* Excluding exceptional items

## DIRECTORS' REPORT

### FINANCIAL STATEMENTS

The Directors of Rogers are responsible for the integrity of the audited financial statements of the Group and the Company and the objectivity of the other information presented in these statements.

The Board confirms that, in preparing the audited financial statements, it has:

- (i) selected suitable accounting policies and applied them consistently;
- (ii) made judgements and estimates that are reasonable and prudent;
- (iii) stated whether applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- (iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;
- (v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures; and
- (vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

### GOING CONCERN STATEMENT

On the basis of current projections, we are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

### DONATIONS


For details on political and charitable donations made by the Company, please refer to page 118.

### GOVERNANCE

The Board strives to apply principles of good governance within the Company and its subsidiaries.

### AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear on pages 135 to 217 were approved by the Board on 08 September 2016 and are signed on their behalf by:



Jean-Pierre Montocchio  
Chairman



Philippe Espitalier-Noël  
Director and CEO



## **INDEPENDENT AUDITORS' REPORT**

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

### ***Report on the Financial Statements***

We have audited the financial statements of Rogers and Company Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 135 to 217 which comprise the statements of financial position at June 30, 2016, and statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### ***Directors' Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements on pages 135 to 217 give a true and fair view of the financial position of the Group and of the Company at June 30, 2016, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.



## INDEPENDENT AUDITORS' REPORT (CONTD)

### ***Report on Other Legal and Regulatory Requirements***

#### ***Companies Act 2001***

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

We have obtained all information and explanations we have required.

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

#### ***Financial Reporting Act 2004***

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

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



#### **BDO & Co.**

Chartered Accountants

Port Louis,

Mauritius

08 September 2016



#### **Ameenah Ramdin FCCA, ACA**

Licensed by FRC



## FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on 08 September 2016.

A handwritten signature in black ink, appearing to read 'Jean-Pierre Montocchio'.

**Jean-Pierre Montocchio**

Chairman

A handwritten signature in black ink, appearing to read 'Philippe Espitalier-Noël'.

**Philippe Espitalier-Noël**

Director & CEO

# PRIMARY STATEMENTS

## STATEMENTS OF PROFIT OR LOSS

Year ended 30 June 2016

| In Rs million   | NOTES | GROUP   |         | COMPANY |        |
|---|-------|---------|---------|---------|--------|
|   |       | 2016    | 2015    | 2016    | 2015   |
| <b>Revenue</b>  | 3     | 8,167.4 | 7,151.0 | 597.5   | 392.6  |
| Profit from operations before finance costs                 | 4     | 1,033.6 | 577.8   | 294.0   | 65.0   |
| Finance costs   | 5     | (541.4) | (287.4) | (173.6) | (93.1) |
| Fair value gain on investment properties                    | 11    | 385.2   | 170.2   | -       | -      |
| Share of results of jointly controlled entities             | 14    | (49.7)  | 383.3   | -       | -      |
| Share of results of associated companies                    | 14    | 88.0    | 238.0   | -       | -      |
| <b>Profit (loss) before exceptional items</b>               |       | 915.7   | 1,081.9 | 120.4   | (28.1) |
| Exceptional items   |       |         |         |         |        |
| Excess of fair value of net assets over consideration price | 6     | 100.5   | -       | -       | -      |
| (Loss) profit on disposal of financial assets               | 6     | (3.5)   | 100.0   | (3.4)   | 70.1   |
| Profit on sale of properties                                | 6     | 6.2     | 5.8     | -       | -      |
| Reorganisation costs  | 6     | -       | (29.4)  | -       | -      |
| <b>Profit before taxation</b>                               |       | 1,018.9 | 1,158.3 | 117.0   | 42.0   |
| Taxation  | 7     | (129.2) | (108.8) | -       | -      |
| <b>Profit for the year</b>                                  |       | 889.7   | 1,049.5 | 117.0   | 42.0   |
| Attributable to   |       |         |         |         |        |
| Owners of the parent  |       | 405.1   | 544.1   |         |        |
| Non-controlling interests                                   |       | 484.6   | 505.4   |         |        |
| <b>Profit for the year</b>                                  |       | 889.7   | 1,049.5 |         |        |
| <b>Earnings per share</b>                                   | 8     | Rs1.61  | Rs2.16  |         |        |

The explanatory notes on pages 141 to 217 form an integral part of these financial statements.  
Auditors' report on pages 133 and 134.



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2016

| In Rs million   | NOTES | GROUP  |         | COMPANY |        |
|---|-------|--------|---------|---------|--------|
|   |       | 2016   | 2015    | 2016    | 2015   |
| <b>Profit for the year</b>  |       | 889.7  | 1,049.5 | 117.0   | 42.0   |
| Other comprehensive income  |       |        |         |         |        |
| Remeasurements of post employment benefit obligations                       | 9     | 6.2    | 3.2     | (21.8)  | 1.5    |
| Share of other comprehensive income of associated companies                 | 9     | (21.1) | 21.8    | -       | -      |
| <b>Items that will not be reclassified to profit or loss</b>                |       | (14.9) | 25.0    | (21.8)  | 1.5    |
| Exchange differences on translating foreign entities                        | 9     | (18.5) | 87.7    | -       | -      |
| Gains (losses) arising on fair value of available-for-sale financial assets | 9     | 50.7   | (72.4)  | 51.4    | (71.9) |
| Share of other comprehensive income of jointly controlled entities          | 9     | (0.6)  | 3.7     | -       | -      |
| Share of other comprehensive income of associated companies                 | 9     | (11.8) | (66.0)  | -       | -      |
| <b>Items that may be reclassified subsequently to profit or loss</b>        |       | 19.8   | (47.0)  | 51.4    | (71.9) |
| <b>Other comprehensive income for the year</b>                              |       | 4.9    | (22.0)  | 29.6    | (70.4) |
| <b>Total comprehensive income for the year</b>                              |       | 894.6  | 1,027.5 | 146.6   | (28.4) |
| Attributable to   |       |        |         |         |        |
| Owners of the parent  |       | 397.4  | 446.0   |         |        |
| Non-controlling interests   |       | 497.2  | 581.5   |         |        |
| <b>Total comprehensive income for the year</b>                              |       | 894.6  | 1,027.5 |         |        |

The explanatory notes on pages 141 to 217 form an integral part of these financial statements.  
Auditors' report on pages 133 and 134.

## STATEMENTS OF FINANCIAL POSITION

30 June 2016

| In Rs million                               | NOTES | GROUP           |                 | COMPANY        |                |
|---|-------|-----------------|-----------------|----------------|----------------|
|   |       | 2016            | 2015            | 2016           | 2015           |
| <b>ASSETS</b>                               |       |                 |                 |                |                |
| Non current assets                          |       |                 |                 |                |                |
| Property, plant and equipment               | 10    | 7,771.6         | 7,550.2         | 22.6           | 21.0           |
| Investment properties                       | 11    | 10,617.9        | 4,051.1         | -              | -              |
| Intangible assets                           | 12    | 796.8           | 744.4           | 5.2            | 7.1            |
| Investment in subsidiary companies          | 13    | -               | -               | 3,308.3        | 3,253.5        |
| Investment in jointly controlled entities   | 14    | 135.5           | 1,818.4         | 33.2           | 101.8          |
| Investment in associated companies          | 14    | 4,817.4         | 4,352.1         | 3,131.2        | 2,838.0        |
| Investment in financial assets              | 15    | 627.0           | 242.6           | 613.2          | 228.7          |
| Bearer biological assets                    | 16    | 18.8            | 18.6            | -              | -              |
| Non-current receivable                      | 17    | 84.7            | 137.5           | 1,015.3        | 1,086.8        |
| Deferred expenditure                        | 18    | 150.2           | 97.0            | -              | -              |
| <b>Total non current assets</b>             |       | <b>25,019.9</b> | <b>19,011.9</b> | <b>8,129.0</b> | <b>7,536.9</b> |
| Current assets                              |       |                 |                 |                |                |
| Consumable biological assets                | 16    | 90.7            | 96.5            | -              | -              |
| Inventories                                 | 19    | 288.9           | 212.0           | -              | -              |
| Trade and other receivables                 | 20    | 3,106.4         | 2,297.2         | 123.1          | 16.1           |
| Amounts receivable from group companies     | 21    | -               | -               | 395.9          | 636.4          |
| Investment in financial assets              | 15    | -               | 200.0           | -              | 200.0          |
| Bank balances and cash                      | 32    | 944.1           | 817.0           | 18.1           | 27.3           |
| <b>Total current assets</b>                 |       | <b>4,430.1</b>  | <b>3,622.7</b>  | <b>537.1</b>   | <b>879.8</b>   |
| <b>Total assets</b>                         |       | <b>29,450.0</b> | <b>22,634.6</b> | <b>8,666.1</b> | <b>8,416.7</b> |
| <b>EQUITY AND LIABILITIES</b>               |       |                 |                 |                |                |
| Capital and reserves                        |       |                 |                 |                |                |
| Share capital                               | 22    | 1,260.2         | 1,260.2         | 1,260.2        | 1,260.2        |
| Reserves                                    |       | 8,216.9         | 8,066.7         | 3,945.3        | 4,020.5        |
| Equity attributable to owners of the parent |       | 9,477.1         | 9,326.9         | 5,205.5        | 5,280.7        |
| Non-controlling interests                   | 23    | 6,942.8         | 5,723.0         | -              | -              |
| <b>Total equity</b>                         |       | <b>16,419.9</b> | <b>15,049.9</b> | <b>5,205.5</b> | <b>5,280.7</b> |
| Non current liabilities                     |       |                 |                 |                |                |
| Borrowings                                  | 26    | 7,208.1         | 3,482.9         | 1,868.9        | 1,889.4        |
| Deferred tax liabilities                    | 27    | 368.9           | 240.2           | -              | -              |
| Retirement benefit obligations              | 28    | 180.9           | 166.7           | 25.1           | 4.6            |
| <b>Total non current liabilities</b>        |       | <b>7,757.9</b>  | <b>3,889.8</b>  | <b>1,894.0</b> | <b>1,894.0</b> |
| Current liabilities                         |       |                 |                 |                |                |
| Borrowings                                  | 26    | 1,594.6         | 836.2           | 1,073.6        | 627.5          |
| Trade and other payables                    | 29    | 3,496.9         | 2,635.1         | 237.7          | 154.5          |
| Amounts payable to group companies          | 31    | -               | -               | 114.2          | 288.4          |
| Income tax liabilities                      |       | 32.2            | 44.6            | -              | -              |
| Provisions                                  | 30    | 7.4             | 42.9            | -              | 35.5           |
| Dividends payable                           | 25    | 141.1           | 136.1           | 141.1          | 136.1          |
| <b>Total current liabilities</b>            |       | <b>5,272.2</b>  | <b>3,694.9</b>  | <b>1,566.6</b> | <b>1,242.0</b> |
| <b>Total liabilities</b>                    |       | <b>13,030.1</b> | <b>7,584.7</b>  | <b>3,460.6</b> | <b>3,136.0</b> |
| <b>Total equity and liabilities</b>         |       | <b>29,450.0</b> | <b>22,634.6</b> | <b>8,666.1</b> | <b>8,416.7</b> |

The explanatory notes on pages 141 to 217 form an integral part of these financial statements.  
Auditors' report on pages 133 and 134.



## STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2016

| <b>GROUP</b>   |       |                |                  |                      |                      |                   |                                      |                           |                 |
|--|-------|----------------|------------------|----------------------|----------------------|-------------------|--------------------------------------|---------------------------|-----------------|
| In Rs million  | NOTES | Share capital  | Capital reserves | Revaluation reserves | Translation reserves | Retained earnings | Attributable to owners of the parent | Non-Controlling Interests | Total           |
| At 1 July 2014   |       | 252.0          | 62.5             | 2,778.2              | (24.6)               | 5,947.9           | 9,016.0                              | 5,345.5                   | 14,361.5        |
| Issue of bonus shares  |       | 1,008.2        | (21.4)           | -                    | -                    | (986.8)           | -                                    | -                         | -               |
| Dividends  | 25    | -              | -                | -                    | -                    | (211.7)           | (211.7)                              | (111.9)                   | (323.6)         |
| Profit for the year  |       | -              | -                | -                    | -                    | 544.1             | 544.1                                | 505.4                     | 1,049.5         |
| Other comprehensive income for the year  | 9     | -              | -                | 62.4                 | (73.3)               | (87.2)            | (98.1)                               | 76.1                      | (22.0)          |
| Movement in reserves   |       | -              | 104.3            | -                    | -                    | -                 | 104.3                                | -                         | 104.3           |
| Transfers  |       | -              | -                | (29.7)               | -                    | 29.7              | -                                    | -                         | -               |
| Changes in ownership interests in subsidiaries that do not result in a loss of control |       | -              | -                | -                    | -                    | (6.5)             | (6.5)                                | 10.1                      | 3.6             |
| Acquisition and deconsolidation of group companies                                     |       | -              | (0.7)            | 5.6                  | 0.3                  | (26.4)            | (21.2)                               | (102.2)                   | (123.4)         |
| <b>At 30 June 2015</b>   |       | <b>1,260.2</b> | <b>144.7</b>     | <b>2,816.5</b>       | <b>(97.6)</b>        | <b>5,203.1</b>    | <b>9,326.9</b>                       | <b>5,723.0</b>            | <b>15,049.9</b> |
| At 1 July 2015   |       | 1,260.2        | 144.7            | 2,816.5              | (97.6)               | 5,203.1           | 9,326.9                              | 5,723.0                   | 15,049.9        |
| Effect on issue of shares  |       | -              | -                | -                    | -                    | -                 | -                                    | 548.8                     | 548.8           |
| Dividends  | 25    | -              | -                | -                    | -                    | (221.8)           | (221.8)                              | (193.9)                   | (415.7)         |
| Profit for the year  |       | -              | -                | -                    | -                    | 405.1             | 405.1                                | 484.6                     | 889.7           |
| Other comprehensive income for the year  | 9     | -              | -                | 51.2                 | 29.7                 | (88.6)            | (7.7)                                | 12.6                      | 4.9             |
| Transfers  |       | -              | 64.6             | (24.8)               | -                    | (39.8)            | -                                    | -                         | -               |
| Changes in ownership interests in subsidiaries that do not result in a loss of control |       | -              | -                | -                    | -                    | 6.3               | 6.3                                  | 10.9                      | 17.2            |
| Acquisition and deconsolidation of group companies                                     |       | -              | 1.5              | (6.3)                | 1.7                  | (28.6)            | (31.7)                               | 356.8                     | 325.1           |
| <b>At 30 June 2016</b>   |       | <b>1,260.2</b> | <b>210.8</b>     | <b>2,836.6</b>       | <b>(66.2)</b>        | <b>5,235.7</b>    | <b>9,477.1</b>                       | <b>6,942.8</b>            | <b>16,419.9</b> |

| <b>COMPANY</b>                          |       |                |                  |                      |                   |                |  |
|---|-------|----------------|------------------|----------------------|-------------------|----------------|--|
| In Rs million                           | NOTES | Share capital  | Capital reserves | Revaluation reserves | Retained earnings | Total          |  |
| At 1 July 2014                          |       | 252.0          | 21.4             | 197.8                | 5,049.6           | 5,520.8        |  |
| Issue of bonus shares                   |       | 1,008.2        | (21.4)           | -                    | (986.8)           | -              |  |
| Dividends                               | 25    | -              | -                | -                    | (211.7)           | (211.7)        |  |
| Profit for the year                     |       | -              | -                | -                    | 42.0              | 42.0           |  |
| Other comprehensive income for the year | 9     | -              | -                | (71.9)               | 1.5               | (70.4)         |  |
| <b>At 30 June 2015</b>                  |       | <b>1,260.2</b> | <b>-</b>         | <b>125.9</b>         | <b>3,894.6</b>    | <b>5,280.7</b> |  |
| At 1 July 2015                          |       | 1,260.2        | -                | 125.9                | 3,894.6           | 5,280.7        |  |
| Dividends                               | 25    | -              | -                | -                    | (221.8)           | (221.8)        |  |
| Profit for the year                     |       | -              | -                | -                    | 117.0             | 117.0          |  |
| Other comprehensive income for the year | 9     | -              | -                | 51.4                 | (21.8)            | 29.6           |  |
| Transfers                               |       | -              | -                | (15.3)               | 15.3              | -              |  |
| <b>At 30 June 2016</b>                  |       | <b>1,260.2</b> | <b>-</b>         | <b>162.0</b>         | <b>3,783.3</b>    | <b>5,205.5</b> |  |

The explanatory notes on pages 141 to 217 form an integral part of these financial statements.  
Auditors' report on pages 133 and 134.

## STATEMENTS OF CASH FLOWS

Year ended 30 June 2016

| In Rs million  | NOTES | GROUP     |           | COMPANY |           |
|--|-------|-----------|-----------|---------|-----------|
|  |       | 2016      | 2015      | 2016    | 2015      |
| <b>OPERATING ACTIVITIES</b>  |       |           |           |         |           |
| Cash generated from (absorbed by) operations                                       | 33    | 1,256.4   | 995.7     | (255.0) | (95.9)    |
| Income tax paid  |       | (40.7)    | (82.1)    | -       | -         |
| <b>Net cash flow from (used in) operating activities</b>                           |       | 1,215.7   | 913.6     | (255.0) | (95.9)    |
| <b>INVESTING ACTIVITIES</b>  |       |           |           |         |           |
| Dividends received   |       | 129.2     | 96.1      | 213.7   | 185.3     |
| Purchase of financial assets   |       | (957.0)   | (68.1)    | (618.0) | (6.2)     |
| Proceeds from sale of financial assets   |       | 74.2      | 62.2      | 69.5    | 30.4      |
| Interest received  |       | 21.8      | 14.6      | 81.6    | 35.1      |
| Difference in exchange   |       | 4.8       | 3.9       | -       | -         |
| Purchase of investment property and property, plant and equipment                  |       | (835.4)   | (280.2)   | (13.4)  | (12.1)    |
| Proceeds from sale of investment property and property, plant and equipment        |       | 36.5      | 134.9     | 1.2     | 0.1       |
| Purchase of intangible assets  |       | (8.8)     | (62.2)    | (0.2)   | (0.3)     |
| Loans granted  |       | (114.9)   | (245.8)   | (527.2) | (1,531.4) |
| Loans recovered  |       | 273.8     | 117.2     | 912.7   | 247.3     |
| Acquisition of subsidiaries net of cash  | 34    | (1,497.8) | (412.3)   | -       | -         |
| Acquisition related costs  |       | (52.6)    | -         | -       | -         |
| Disposal of subsidiaries net of cash   |       | -         | 47.3      | -       | -         |
| <b>Net cash flow (used in) from investing activities</b>                           |       | (2,926.2) | (592.4)   | 119.9   | (1,051.8) |
| <b>FINANCING ACTIVITIES</b>  |       |           |           |         |           |
| Proceeds from borrowings   |       | 3,729.9   | 2,288.7   | 1,131.8 | 1,894.7   |
| Repayment of borrowings  |       | (1,546.1) | (1,756.0) | (600.3) | (415.3)   |
| Interest paid  |       | (558.6)   | (287.3)   | (150.2) | (65.8)    |
| Dividends paid to shareholders of Rogers and Company Limited                       |       | (216.8)   | (201.6)   | (216.8) | (201.6)   |
| Dividends paid to outside shareholders of subsidiary companies                     |       | (145.9)   | (48.4)    | -       | -         |
| Proceeds from issue of shares by subsidiary companies to non-controlling interests |       | 486.6     | 11.5      | -       | -         |
| <b>Net cash flow from financing activities</b>                                     |       | 1,749.1   | 6.9       | 164.5   | 1,212.0   |
| Net increase in cash and cash equivalents  |       | 38.6      | 328.1     | 29.4    | 64.3      |
| Cash and cash equivalents - opening  |       | 590.6     | 274.3     | (29.4)  | (93.7)    |
| Effects of exchange rate on cash and cash equivalents                              |       | (12.7)    | (11.8)    | -       | -         |
| <b>Cash and cash equivalents - closing</b>   | 32    | 616.5     | 590.6     | -       | (29.4)    |

The explanatory notes on pages 141 to 217 form an integral part of these financial statements.  
Auditors' report on pages 133 and 134.



# BASIS OF PREPARATION

## EXPLANATORY NOTES

30 June 2016

### 1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

#### (a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These policies have been consistently applied to all the periods presented, unless otherwise stated and where necessary, comparative figures have been amended. The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company). The financial statements are presented in Mauritian Rupees and all values are rounded to nearest million (Rs million), except when otherwise indicated.

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

- land and buildings are carried at revalued amounts
- investment properties are stated at fair value
- investments held-for-trading and available-for-sale financial assets are stated at fair value
- held-to-maturity financial assets are carried at amortised cost
- consumable biological assets are valued at fair value

Note 1 sets out the Group's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note the policy is described in the note to which it relates.

#### **Standards, Amendments to published standards and interpretations effective in the reporting period**

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

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

Certain standards, amendments to published standards and interpretations issued are effective for accounting periods beginning on or after 1 July 2016, but which the Group has not early adopted.

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

IFRS 9 Financial Instruments

IFRS 14 Regulatory Deferral Accounts

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



## **EXPLANATORY NOTES**

30 June 2016

### **1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**

#### **(a) Basis of preparation (cont'd)**

##### **Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)**

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

IFRS 15 Revenue from Contract with Customers

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

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

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

Annual Improvements to IFRSs 2012-2014 Cycle

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

Disclosure Initiative (Amendments to IAS 1)

IFRS 16 Leases

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

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

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

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

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

##### *Classification and measurement*

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



## 1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

### (a) Basis of preparation (cont'd)

#### **Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)**

##### *Impairment*

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

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

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

##### *Hedge accounting*

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

##### *Transition*

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

The mandatory application date for the standard as a whole is 01 January 2018, but it is possible to apply the revised presentation for certain liabilities measured at fair value from an earlier date.

## **EXPLANATORY NOTES**

30 June 2016

### **1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**

#### **(b) Principles of consolidation**

The consolidated financial statements include the company, its subsidiaries, jointly controlled entities and associated companies. The results of subsidiaries, jointly controlled entities and associated companies acquired or disposed of during the year are included in the consolidated Statement of Profit or Loss and Statement of Profit or Loss and Other Comprehensive Income from the date of their acquisition or up to the date of their disposal. The consolidated financial statements have been prepared in accordance with the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred. Acquisition-related costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised in the Statement of Profit or Loss of the current year. The consideration for the acquisition includes contingent consideration arrangement. Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value, with the resulting gain or loss recognised in Statement of Profit or Loss. Amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed. Changes in the Group's interests in subsidiaries 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 subsidiaries. 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 in equity attributable to owners of the company. When the Group disposes or loses control of a subsidiary, the profit or loss is calculated as the difference between the consideration received, grossed up for any non controlling interest, and the fair value of assets (including goodwill) and liabilities. Amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss.

In preparing consolidated financial statements, the Group combines the financial statements of the parent and its subsidiaries on a line by line by adding together like items of assets, liabilities, equity, income and expenses. Intragroup balances and transactions, including income, expenses and dividends are eliminated in full.

Subsidiaries are all entities, including structured entities, over which the Group has control. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

#### **(c) Impairment of non-financial assets**

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

#### **(d) Foreign currency translation**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Mauritian Rupees, which is the Group's functional and presentation currency. Foreign currency transactions are translated into Mauritian Rupees using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in Other Comprehensive Income.



## **1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**

### **(d) Foreign currency translation (cont'd)**

The results and financial position of the Group entities that have a functional currency different from Mauritian Rupee are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the reporting date.
- Income and expenses for each Statement of Profit or Loss are translated at average exchange rates.

All resulting exchange differences are recognised in Other Comprehensive Income.

On disposal of foreign entities, such translation differences are recognised in the Statement of Profit or Loss as part of the gain or loss.

### **(e) Non-current assets classified as held for sale**

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

### **(f) Comparatives**

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies in the current year.

### **(g) Significant accounting judgements and estimates**

The preparation of the financial statements requires that management make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimates are incorporated and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined in the relevant note.

## EXPLANATORY NOTES

30 June 2016

### 2. FINANCIAL RISK MANAGEMENT

#### Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group covers to the extent possible exposures through certain hedging operations. Written principles have been established for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

The Group operates internationally and is exposed to foreign exchange risk arising from various major currencies. Group's entities use forward contracts, whenever possible, to hedge their exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings.

Exposure in major currencies are as follows:

| In million                        | GROUP       |                |             |                  |                  | COMPANY          |
|-----------------------------------|-------------|----------------|-------------|------------------|------------------|------------------|
|                                   | EURO        | USD            | GBP         | Rs & others      | Total            | Rs & others      |
| <b>30 June 2015</b>               |             |                |             |                  |                  |                  |
| Non current financial assets      | 1.3         | 52.8           | -           | 326.0            | 380.1            | 1,315.5          |
| Non current financial liabilities | (42.4)      | (3.5)          | -           | (3,603.7)        | (3,649.6)        | (1,894.0)        |
| Long term exposure                | (41.1)      | 49.3           | -           | (3,277.7)        | (3,269.5)        | (578.5)          |
| Current financial assets          | 1,015.5     | 282.3          | 12.9        | 1,911.3          | 3,222.0          | 877.8            |
| Current financial liabilities     | (882.0)     | (365.5)        | -           | (2,359.9)        | (3,607.4)        | (1,206.5)        |
| Short term exposure               | 133.5       | (83.2)         | 12.9        | (448.6)          | (385.4)          | (328.7)          |
| <b>Total exposure</b>             | <b>92.4</b> | <b>(33.9)</b>  | <b>12.9</b> | <b>(3,726.3)</b> | <b>(3,654.9)</b> | <b>(907.2)</b>   |
| <b>30 June 2016</b>               |             |                |             |                  |                  |                  |
| Non current financial assets      | -           | 53.9           | -           | 657.8            | 711.7            | 1,628.5          |
| Non current financial liabilities | (179.7)     | (261.4)        | -           | (6,947.9)        | (7,389.0)        | (1,894.0)        |
| Long term exposure                | (179.7)     | (207.5)        | -           | (6,290.1)        | (6,677.3)        | (265.5)          |
| Current financial assets          | 967.9       | 296.9          | 6.6         | 2,658.3          | 3,929.7          | 535.6            |
| Current financial liabilities     | (757.7)     | (338.5)        | -           | (4,135.9)        | (5,232.1)        | (1,566.6)        |
| Short term exposure               | 210.2       | (41.6)         | 6.6         | (1,477.6)        | (1,302.4)        | (1,031.0)        |
| <b>Total exposure</b>             | <b>30.5</b> | <b>(249.1)</b> | <b>6.6</b>  | <b>(7,767.7)</b> | <b>(7,979.7)</b> | <b>(1,296.5)</b> |

The sensitivity of the net result for the year and equity with regards to the Group's financial assets and liabilities and the EURO to Rupee, USD to Rupee and GBP to Rupee exchange rate is shown in note 2(a).

#### (a) Foreign exchange risk

If Rupee had strengthened / weakened by 1% against EURO, USD and GBP the financial impact will be as follows:

| In Rs million                     | GROUP |      | COMPANY |      |
|-----------------------------------|-------|------|---------|------|
|                                   | 2016  | 2015 | 2016    | 2015 |
| Net result for the year ( + / - ) | 2.1   | 0.7  | -       | -    |
| Equity ( + / - )                  | 2.1   | 0.7  | -       | -    |



## 2. FINANCIAL RISK MANAGEMENT (CONTD)

### (b) Interest rate risk

The Group's income and operating cash flows are influenced by changing market interest rates. The Group's borrowings and lendings are contracted at variable rates.

The sensitivity of the net result for the year and equity to a possible change in interest rates of + or - 0.25 %, with effect from the beginning of the year is shown below.

| In Rs million                     | GROUP |      | COMPANY |      |
|-----------------------------------|-------|------|---------|------|
|                                   | 2016  | 2015 | 2016    | 2015 |
| Net result for the year ( + / - ) | 22.0  | 10.8 | 7.0     | 7.0  |
| Equity ( + / - )                  | 22.0  | 10.8 | 7.0     | 7.0  |

### (c) Credit risk

The Group has policies in place to ensure that credit sales of products and services are made to customers after a credit assessment has been carried out and credit terms agreed (Refer to notes 20 and 21). The Group has no significant concentration of credit risk, with exposure spread over a large number of local and overseas customers.

Credit facilities to customers are monitored and the Group has policies in place to identify defaults and recover amounts due. The maximum exposure to credit risk at the reporting date is the fair value of the receivables. Specific provision and portfolio provision are made accordingly.

### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities from financial institutions. Due to the dynamic nature of the underlying businesses, Group Treasury aims at maintaining flexibility in funding by keeping committed credit facilities with banks.

### (e) Derivative financial instruments

The Group has no commitment in material derivative instruments.

### (f) Capital risk management

The Group and the Company aim at distributing an adequate dividend whilst ensuring that sufficient resources are maintained to continue as a going concern and for expansion. The ratio of debt to equity is used to manage capital risk and is kept below 0.75.

| In Rs million       | GROUP    |          | COMPANY |         |
|---------------------|----------|----------|---------|---------|
|                     | 2016     | 2015     | 2016    | 2015    |
| Debt                | 8,802.7  | 4,319.1  | 2,942.5 | 2,516.9 |
| Equity              | 16,419.9 | 15,049.9 | 5,205.5 | 5,280.7 |
| Debt / equity ratio | 0.54     | 0.29     | 0.57    | 0.48    |

### (g) Sensitivity analysis - equity price risk

The Group / Company is exposed to equity-price risk mainly because of its strategic investments in equity listed companies on the Stock Exchange of Mauritius. The investments are held for medium term and are exposed to fluctuations in the equity market. A 5% increase (decrease) in the relevant equity prices will increase (decrease) equity by Rs 25.8m (2015 Rs 7.1m).

Our process as regards to the risk associated with these investments is a monitoring of the entities' annual financial performance and the analysis of their return on investment.

# RESULTS FOR THE YEAR

## EXPLANATORY NOTES

30 June 2016

### 3. REVENUE

#### Accounting policy

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Group.

The Group recognises revenue when it can reliably be measured, it is probable that future economic benefits will flow to the entity and when specific criteria described below are met.

Sales of goods are recognised on the transfer to the customer of the significant risks and rewards of ownership of the goods which generally coincides with delivery date.

Sales of services are recognised when the services have been performed and title have passed.

Management fees are recognised as the services are provided.

Interest income is accrued on a time proportion basis using the effective interest method.

Dividend income accrues when the shareholders' right to receive payment is established.

Rental income is recognised in accordance with the substance of the relevant agreement.

Revenue from sale of villas is recognised using the percentage of completion method as construction progresses.

Sale of villas is net of rebates and discounts and is accounted for as follows:

- 30% on signature of sales deed;
- 5% on completion of foundation stage;
- 35% on completion of building envelope;
- 25% on completion of testing of mechanical and electrical works; and
- 5% on submission of key.

| In Rs million              | GROUP          |                | COMPANY      |              |
|----------------------------|----------------|----------------|--------------|--------------|
|                            | 2016           | 2015           | 2016         | 2015         |
| Revenue is made up of      |                |                |              |              |
| Sales of goods             | 900.5          | 1,216.3        | -            | -            |
| Sales of services          | 6,683.2        | 5,339.4        | -            | -            |
| <b>Total sales</b>         | <b>7,583.7</b> | <b>6,555.7</b> | <b>-</b>     | <b>-</b>     |
| Commission                 | 301.2          | 267.3          | -            | -            |
| Other income               | 207.9          | 264.0          | 202.5        | 144.0        |
| Rent                       | 31.5           | 33.7           | 37.7         | 37.2         |
| Investment income - Quoted | -              | -              | 77.0         | 29.4         |
| - Unquoted                 | 24.1           | 12.8           | 196.8        | 133.2        |
| Interest income            | 19.0           | 17.5           | 83.5         | 48.8         |
| <b>Total revenue</b>       | <b>8,167.4</b> | <b>7,151.0</b> | <b>597.5</b> | <b>392.6</b> |



#### 4. PROFIT FROM OPERATIONS BEFORE FINANCE COSTS

| In Rs million   | GROUP          |                | COMPANY      |              |
|---|----------------|----------------|--------------|--------------|
|   | 2016           | 2015           | 2016         | 2015         |
| Revenue (note 3)  | 8,167.4        | 7,151.0        | 597.5        | 392.6        |
| Sundry income   | 9.7            | 9.5            | 0.1          | 0.1          |
| <b>Total income</b>   | <b>8,177.1</b> | <b>7,160.5</b> | <b>597.6</b> | <b>392.7</b> |
| Changes in inventories of finished goods and work in progress | 76.9           | 5.0            | -            | -            |
| Cost of raw materials, consumables and outsourced services    | (3,773.1)      | (3,586.5)      | -            | -            |
| Employee benefits expense:                                    |                |                |              |              |
| Wages, salaries and related expense                           | (1,472.5)      | (1,367.3)      | (155.0)      | (132.5)      |
| Pension plans and other retirement benefit costs              | (104.5)        | (109.2)        | (14.9)       | (16.1)       |
| Depreciation and amortisation                                 | (324.7)        | (296.2)        | (12.2)       | (13.2)       |
| Foreign exchange differences                                  | 71.3           | 65.5           | -            | -            |
| Other expenses and services including professional services   | (1,616.9)      | (1,294.0)      | (121.5)      | (165.9)      |
| <b>Profit from operations before finance costs</b>            | <b>1,033.6</b> | <b>577.8</b>   | <b>294.0</b> | <b>65.0</b>  |

#### 5. FINANCE COSTS

##### Accounting policy

Finance costs comprise of interest on borrowings using the effective interest method or the contractual rate and accrue to the period end.

| In Rs million   | GROUP        |              | COMPANY      |             |
|---|--------------|--------------|--------------|-------------|
|   | 2016         | 2015         | 2016         | 2015        |
| The finance cost is on                                |              |              |              |             |
| Bank overdrafts                                       | 22.6         | 22.2         | 4.0          | 3.8         |
| Bank loans & other loans repayable by instalments     |              |              |              |             |
| Within one year                                       | 177.4        | 23.3         | -            | -           |
| After one year and before two years                   | -            | 1.5          | -            | -           |
| After two years and before five years                 | 4.7          | 5.6          | 4.1          | 5.6         |
| After five years                                      | 102.0        | 110.0        | -            | -           |
| Bank loans & other loans not repayable by instalments |              |              |              |             |
| Within one year                                       | 117.0        | 69.1         | 70.2         | 36.3        |
| After one year and before two years                   | -            | 18.6         | -            | 18.6        |
| After two years and before five years                 | 40.3         | -            | 29.2         | -           |
| After five years                                      | 66.0         | 28.6         | 66.0         | 28.6        |
| Finance lease obligations                             | 11.4         | 8.5          | 0.1          | 0.2         |
| <b>Total finance costs</b>                            | <b>541.4</b> | <b>287.4</b> | <b>173.6</b> | <b>93.1</b> |



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**6. EXCEPTIONAL ITEMS**

**Accounting policy**

Exceptional items are material items of income or expense that have been disclosed separately in the Statement of Profit or Loss to clarify understanding of financial performance.

| In Rs million  | GROUP        |             | COMPANY      |             |
|--|--------------|-------------|--------------|-------------|
|  | 2016         | 2015        | 2016         | 2015        |
| Excess of fair value of share of net assets over consideration price (see (a)) | 100.5        | -           | -            | -           |
| (Loss) profit on disposal of financial assets (see (b))                        | (3.5)        | 100.0       | (3.4)        | 70.1        |
| Profit on sale of properties (see (c))   | 6.2          | 5.8         | -            | -           |
| Reorganisation costs   | -            | (29.4)      | -            | -           |
| <b>Total exceptional items</b>   | <b>103.2</b> | <b>76.4</b> | <b>(3.4)</b> | <b>70.1</b> |

Profit (losses) in 2016 arose mainly from:

- (a) (i) the acquisition by Ascencia Limited of an additional holding of 34.9% in Bagaprop Limited, resulting in a change in holding from 50.1% to 85% and reported as a subsidiary instead of a jointly controlled entity.  
(ii) the acquisition by Foresite Property Holding Ltd of a 25% holding in Mall of Mauritius at Bagatelle Ltd.  
The above transactions were impacted by acquisition related costs of Rs 65.4m.
- (b) the disposal of Edith Cavell Properties Ltd by the Company, the disposal of R'Frigo Ltd and deconsolidation of Rids Correio Ltd by the Group.
- (c) the disposal of properties by Cie Sucrière de Bel Ombre Ltd, a subsidiary company.

**7. TAXATION**

**Accounting policy**

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

**Current tax**

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

**Deferred tax**

Deferred income tax is recognised on temporary differences arising between the expected tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction which affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets have been recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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



## 7. TAXATION (CONTD)

### Significant accounting judgements and estimates

In determining the amount of current and deferred tax the Group relies on estimates and assumptions and may involve a series of judgements about future events. Assumptions are made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances will alter expectations which may impact the amount of deferred tax assets, liabilities and provision for income taxes recorded in the statement of financial position. In these circumstances the carrying amount of deferred tax assets, liabilities and provision for income taxes may change impacting the profit or loss of the Group.

| In Rs million   | GROUP        |              | COMPANY  |          |
|---|--------------|--------------|----------|----------|
|   | 2016         | 2015         | 2016     | 2015     |
| Provision for the year<br>(15% - 35%) - (2015: 15% - 35%) | 69.5         | 87.5         | -        | -        |
| (Over) underprovision in previous years                   | (5.1)        | 2.3          | -        | -        |
| Movement in deferred taxation (note 27)                   | 64.8         | 19.0         | -        | -        |
| <b>Taxation for the year</b>                              | <b>129.2</b> | <b>108.8</b> | <b>-</b> | <b>-</b> |

The effective tax rate differs from that determined by applying the statutory income tax rate to profit before taxation. This is due primarily to different tax rates, investment allowance, non-deductible expenses, tax exempt income, tax credit income and unused tax losses.

|  | GROUP       |             | COMPANY  |          |
|--|-------------|-------------|----------|----------|
|  | 2016        | 2015        | 2016     | 2015     |
|  | %           | %           | %        | %        |
| Reconciliation of effective tax rate is as follows |             |             |          |          |
| Tax rate applicable                                | 15.0        | 15.0        | 15.0     | 15.0     |
| Allowable and non-allowable tax items              | (11.1)      | (2.0)       | (0.4)    | (52.2)   |
| Recognised tax losses                              | (5.4)       | (6.0)       | (14.6)   | -        |
| Unrecognised tax losses                            | 7.2         | 10.8        | -        | 37.2     |
| Difference between local tax rate and other rates  | 1.7         | 1.7         | -        | -        |
| Deferred tax impact                                | 7.4         | 4.1         | -        | -        |
| <b>Effective tax rate</b>                          | <b>14.8</b> | <b>23.6</b> | <b>-</b> | <b>-</b> |

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**8. EARNINGS PER SHARE**

**Accounting policy**

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholder of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

| <b>GROUP</b>  |              |              |
|---|--------------|--------------|
| In Rs million   | 2016         | 2015         |
| Profit attributable to owners of the parent                                     | 405.1        | 544.1        |
| Adjustments for exceptional items   | (64.2)       | (74.5)       |
| <b>Profit attributable to the owners of the parent before exceptional items</b> | <b>340.9</b> | <b>469.6</b> |
| Number of shares in issue   | 252,045,300  | 252,045,300  |
| <b>Earnings per share (in Rs)</b>   | <b>1.61</b>  | <b>2.16</b>  |
| <b>Earnings per share (excluding exceptional items) (in Rs)</b>                 | <b>1.35</b>  | <b>1.86</b>  |



## 9. OTHER COMPREHENSIVE INCOME

| GROUP   |                      |                      |                   |                                      |                           |        |
|---|----------------------|----------------------|-------------------|--------------------------------------|---------------------------|--------|
| In Rs million   | Revaluation reserves | Translation reserves | Retained Earnings | Attributable to owners of the parent | Non-controlling Interests | Total  |
| <b>30 June 2016</b>   |                      |                      |                   |                                      |                           |        |
| Gains arising during the year (note 28)   | -                    | -                    | 2.7               | 2.7                                  | 6.3                       | 9.0    |
| Income tax  | -                    | -                    | (1.9)             | (1.9)                                | (0.9)                     | (2.8)  |
| <b>Remeasurement of defined benefit pension plans</b>                                     | -                    | -                    | 0.8               | 0.8                                  | 5.4                       | 6.2    |
| Share of Other Comprehensive Income of associated companies                               | 56.0                 | -                    | (77.1)            | (21.1)                               | -                         | (21.1) |
| <b>Other Comprehensive income that will not be reclassified to profit or loss</b>         | 56.0                 | -                    | (76.3)            | (20.3)                               | 5.4                       | (14.9) |
| Exchange differences on translating foreign entities                                      | -                    | (25.4)               | -                 | (25.4)                               | 6.9                       | (18.5) |
| Gains (losses) arising on fair value of available-for-sale financial assets               | 50.9                 | -                    | -                 | 50.9                                 | (0.2)                     | 50.7   |
| Share of Other Comprehensive Income of jointly controlled entities                        | (0.7)                | (0.2)                | -                 | (0.9)                                | 0.3                       | (0.6)  |
| Share of Other Comprehensive Income of associated companies                               | (55.0)               | 55.3                 | (12.3)            | (12.0)                               | 0.2                       | (11.8) |
| <b>Other Comprehensive income that may be reclassified subsequently to profit or loss</b> | (4.8)                | 29.7                 | (12.3)            | 12.6                                 | 7.2                       | 19.8   |
| <b>Other Comprehensive Income for the year ended 30 June 2016</b>                         | 51.2                 | 29.7                 | (88.6)            | (7.7)                                | 12.6                      | 4.9    |
| <b>30 June 2015</b>   |                      |                      |                   |                                      |                           |        |
| Remeasurement of defined benefit pension plans  | -                    | -                    | 4.3               | 4.3                                  | (1.1)                     | 3.2    |
| Share of Other Comprehensive Income of associated companies                               | 106.7                | -                    | (84.9)            | 21.8                                 | -                         | 21.8   |
| <b>Other Comprehensive income that will not be reclassified to profit or loss</b>         | 106.7                | -                    | (80.6)            | 26.1                                 | (1.1)                     | 25.0   |
| Exchange differences on translating foreign entities                                      | -                    | 13.8                 | -                 | 13.8                                 | 73.9                      | 87.7   |
| Losses arising during the year (note 15)  | (87.6)               | -                    | -                 | (87.6)                               | (0.2)                     | (87.8) |
| Reclassification adjustments in Statements of Profit or Loss                              | 15.4                 | -                    | -                 | 15.4                                 | -                         | 15.4   |
| <b>Losses arising on fair value of available-for-sale financial assets</b>                | (72.2)               | -                    | -                 | (72.2)                               | (0.2)                     | (72.4) |
| Share of Other Comprehensive Income of jointly controlled entities                        | -                    | 0.4                  | -                 | 0.4                                  | 3.3                       | 3.7    |
| Share of Other Comprehensive Income of associated companies                               | 27.9                 | (87.5)               | (6.6)             | (66.2)                               | 0.2                       | (66.0) |
| <b>Other Comprehensive income that may be reclassified subsequently to profit or loss</b> | (44.3)               | (73.3)               | (6.6)             | (124.2)                              | 77.2                      | (47.0) |
| <b>Other Comprehensive Income for the year ended 30 June 2015</b>                         | 62.4                 | (73.3)               | (87.2)            | (98.1)                               | 76.1                      | (22.0) |

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### 9. OTHER COMPREHENSIVE INCOME (CONTD)

| COMPANY   |                      |                   |        |
|---|----------------------|-------------------|--------|
| In Rs million   | Revaluation reserves | Retained Earnings | Total  |
| <b>30 June 2016</b>   |                      |                   |        |
| Losses arising on remeasurement of defined benefit pension plans                          | -                    | (21.8)            | (21.8) |
| <b>Other Comprehensive income that will not be reclassified to profit or loss</b>         | -                    | (21.8)            | (21.8) |
| Gains arising on fair value of available-for-sale financial assets                        | 51.4                 | -                 | 51.4   |
| <b>Other Comprehensive income that may be reclassified subsequently to profit or loss</b> | 51.4                 | -                 | 51.4   |
| <b>Other comprehensive income for the year ended 30 June 2016</b>                         | 51.4                 | (21.8)            | 29.6   |
| <b>30 June 2015</b>   |                      |                   |        |
| Remeasurement of defined benefit pension plans  | -                    | 1.5               | 1.5    |
| <b>Other Comprehensive income that will not be reclassified to profit or loss</b>         | -                    | 1.5               | 1.5    |
| Losses arising on fair value of available-for-sale financial assets                       | (87.3)               | -                 | (87.3) |
| Reclassification adjustments in Statements of Profit or Loss                              | 15.4                 | -                 | 15.4   |
| <b>Gains arising on fair value of available-for-sale financial assets</b>                 | (71.9)               | -                 | (71.9) |
| <b>Other Comprehensive income that may be reclassified subsequently to profit or loss</b> | (71.9)               | -                 | (71.9) |
| <b>Other comprehensive income for the year ended 30 June 2015</b>                         | (71.9)               | 1.5               | (70.4) |



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### 10. PROPERTY, PLANT AND EQUIPMENT

#### Accounting policy

Property, plant and equipment is stated at cost, except for land and buildings, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognised 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 the Statement of profit or loss when the asset is derecognised.

Land and buildings held for use in the production or supply of goods or services or for administrative purposes, are stated in the Statement of Financial Position at fair value based on valuation performed normally every three years.

The Group accounts for land and buildings at fair value carried out by qualified independent valuers in June 2015. All fair valuations are categorised in 'level 3' as per IFRS 13 definition.

The fair value of land and buildings is arrived at as follows :

- Hotels and logistics divisions - 'Sales comparison approach' with consideration for location, wear and tear and frequency of renovation
- Property and Real Estate - 'Discounted cashflow' for tenanted premises and 'sales comparison approach' for others
- Land under cultivation and bare land - 'sales comparison approach' or 'replacement costs'

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of profit or loss.

When revalued assets are sold, the corresponding amounts included in revaluation reserves are transferred to retained earnings.

#### Depreciation

Freehold land is not depreciated. Depreciation on property, plant and equipment is calculated on the straight line method to write off the cost or revalued amounts of the assets to their residual values as follows:

|                   | %        |
|-------------------|----------|
| Buildings         | 2 - 4    |
| Plant & equipment | 15 - 100 |
| Vehicles          | 15 - 25  |
| Hotel buildings   | 3 - 4    |

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

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### 10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

#### Accounting policy (contd)

##### Borrowing costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset.

All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Significant accounting judgements and estimates

Revaluation exercises are normally carried out every three years by independent qualified valuers. Their assumptions are based on potential market conditions. In the absence of proper property market data, valuation may vary from different valuers.

The techniques used are as follows:

- Land is valued on the basis of recently transacted properties in that specific region.
- For the developed sites, the depreciated replacement cost methodology has been used and consists of the depreciated replacement cost of the building, plus the market value of the land.
- For the unimproved sites, the basis of valuation is the market value, which is the value for which such asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

#### Estimate of useful lives and residual value

The depreciation and amortisation charge calculation require an estimate of the economic useful lives of the respective assets. The Group uses historical experience and comparable market available data to determine useful lives.



## 10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

| GROUP                                   |                    |                     |              |                 |
|---|--------------------|---------------------|--------------|-----------------|
| In Rs million                           | Land and Buildings | Plant and Equipment | Vehicles     | Total           |
| <b>Cost or valuation</b>                |                    |                     |              |                 |
| At 1 July 2014                          | 7,222.6            | 2,045.9             | 305.4        | 9,573.9         |
| Additions                               | 75.5               | 135.7               | 60.0         | 271.2           |
| Disposals                               | -                  | (167.3)             | (44.8)       | (212.1)         |
| Exchange differences                    | 7.5                | (4.0)               | (0.7)        | 2.8             |
| Transfers                               | 2.6                | -                   | -            | 2.6             |
| Acquisition of subsidiaries             | -                  | 284.0               | 20.5         | 304.5           |
| Deconsolidation of subsidiaries         | -                  | (20.4)              | (23.9)       | (44.3)          |
| <b>At 30 June 2015</b>                  | <b>7,308.2</b>     | <b>2,273.9</b>      | <b>316.5</b> | <b>9,898.6</b>  |
| Additions                               | 120.5              | 266.6               | 45.1         | 432.2           |
| Disposals                               | -                  | (60.5)              | (27.9)       | (88.4)          |
| Exchange differences                    | -                  | (5.9)               | (2.3)        | (8.2)           |
| Acquisition of subsidiaries             | 23.3               | 124.5               | 6.4          | 154.2           |
| <b>At 30 June 2016</b>                  | <b>7,452.0</b>     | <b>2,598.6</b>      | <b>337.8</b> | <b>10,388.4</b> |
| <b>Depreciation and impairment</b>      |                    |                     |              |                 |
| At 1 July 2014                          | 242.2              | 1,678.8             | 202.5        | 2,123.5         |
| Charge for the year                     | 96.0               | 136.4               | 42.3         | 274.7           |
| Disposal adjustment                     | -                  | (153.9)             | (41.8)       | (195.7)         |
| Exchange differences                    | -                  | (3.3)               | (0.9)        | (4.2)           |
| Acquisition of subsidiaries             | -                  | 167.4               | 11.8         | 179.2           |
| Deconsolidation of subsidiaries         | -                  | (17.3)              | (11.8)       | (29.1)          |
| <b>At 30 June 2015</b>                  | <b>338.2</b>       | <b>1,808.1</b>      | <b>202.1</b> | <b>2,348.4</b>  |
| Charge for the year                     | 88.7               | 180.6               | 37.3         | 306.6           |
| Disposal adjustment                     | -                  | (58.5)              | (23.1)       | (81.6)          |
| Exchange differences                    | 0.2                | (3.6)               | (2.0)        | (5.4)           |
| Acquisition of subsidiaries             | -                  | 45.1                | 3.7          | 48.8            |
| <b>At 30 June 2016</b>                  | <b>427.1</b>       | <b>1,971.7</b>      | <b>218.0</b> | <b>2,616.8</b>  |
| <b>Carrying value</b>                   |                    |                     |              |                 |
| <b>At 30 June 2016</b>                  | <b>7,024.9</b>     | <b>626.9</b>        | <b>119.8</b> | <b>7,771.6</b>  |
| <b>At 30 June 2015</b>                  | <b>6,970.0</b>     | <b>465.8</b>        | <b>114.4</b> | <b>7,550.2</b>  |
| <b>Carrying value of assets pledged</b> |                    |                     |              |                 |
| <b>At 30 June 2016</b>                  | <b>6,969.4</b>     | <b>590.1</b>        | <b>124.6</b> | <b>7,684.1</b>  |
| <b>At 30 June 2015</b>                  | <b>6,742.6</b>     | <b>417.6</b>        | <b>111.0</b> | <b>7,271.2</b>  |



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#### 10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

No valuation was carried out this year. A 5% deviation from observable parameters will change the valuation by Rs 22.7m. The 'sales comparison approach' is impacted by the demand and property management in the vicinity. There were no transfers between levels (as defined by IFRS 13) during the year.

Additions include Rs 52.1m (2015 - Rs 39.4m) of assets held under finance leases.

| <b>COMPANY</b>                          |                    |                     |             |              |
|---|--------------------|---------------------|-------------|--------------|
| In Rs million                           | Land and Buildings | Plant and Equipment | Vehicles    | Total        |
| <b>Cost or valuation</b>                |                    |                     |             |              |
| At 1 July 2014                          | 3.7                | 170.1               | 33.9        | 207.7        |
| Additions                               | -                  | 2.9                 | 9.1         | 12.0         |
| Disposals                               | -                  | (0.1)               | (3.0)       | (3.1)        |
| <b>At 30 June 2015</b>                  | <b>3.7</b>         | <b>172.9</b>        | <b>40.0</b> | <b>216.6</b> |
| Additions                               | -                  | 2.7                 | 10.4        | 13.1         |
| Disposals                               | -                  | (3.0)               | (7.8)       | (10.8)       |
| <b>At 30 June 2016</b>                  | <b>3.7</b>         | <b>172.6</b>        | <b>42.6</b> | <b>218.9</b> |
| <b>Depreciation and impairment</b>      |                    |                     |             |              |
| At 1 July 2014                          | 1.6                | 163.4               | 23.1        | 188.1        |
| Charge for the year                     | 0.2                | 5.7                 | 4.7         | 10.6         |
| Disposal adjustment                     | -                  | (0.1)               | (3.0)       | (3.1)        |
| <b>At 30 June 2015</b>                  | <b>1.8</b>         | <b>169.0</b>        | <b>24.8</b> | <b>195.6</b> |
| Charge for the year                     | 0.1                | 3.3                 | 6.7         | 10.1         |
| Disposal adjustment                     | -                  | (3.0)               | (6.4)       | (9.4)        |
| <b>At 30 June 2016</b>                  | <b>1.9</b>         | <b>169.3</b>        | <b>25.1</b> | <b>196.3</b> |
| <b>Carrying value</b>                   |                    |                     |             |              |
| <b>At 30 June 2016</b>                  | <b>1.8</b>         | <b>3.3</b>          | <b>17.5</b> | <b>22.6</b>  |
| <b>At 30 June 2015</b>                  | <b>1.9</b>         | <b>3.9</b>          | <b>15.2</b> | <b>21.0</b>  |
| <b>Carrying value of assets pledged</b> |                    |                     |             |              |
| <b>At 30 June 2016</b>                  | <b>1.8</b>         | <b>3.3</b>          | <b>17.5</b> | <b>22.6</b>  |
| <b>At 30 June 2015</b>                  | <b>1.9</b>         | <b>3.9</b>          | <b>15.2</b> | <b>21.0</b>  |



## 10. PROPERTY, PLANT AND EQUIPMENT (CONTD)

| In Rs million   | GROUP          |                | COMPANY    |            |
|---|----------------|----------------|------------|------------|
|   | 2016           | 2015           | 2016       | 2015       |
| (i) Land and buildings represent                                |                |                |            |            |
| Freehold land and buildings                                     | 6,947.8        | 6,810.5        | 1.8        | 1.9        |
| Buildings standing on leasehold land                            | 504.2          | 497.7          | -          | -          |
| <b>Land and buildings</b>                                       | <b>7,452.0</b> | <b>7,308.2</b> | <b>1.8</b> | <b>1.9</b> |
| On the Cost basis, these properties would have been as follows: |                |                |            |            |
| Cost  | 2,439.9        | 2,319.4        | 3.7        | 3.7        |
| Accumulated depreciation  | (775.3)        | (686.6)        | (1.9)      | (1.8)      |
| <b>Carrying value</b>   | <b>1,664.6</b> | <b>1,632.8</b> | <b>1.8</b> | <b>1.9</b> |
| (ii) Leased assets  |                |                |            |            |
| Plant and equipment   | 115.6          | 85.1           | -          | -          |
| Motor vehicles  | 153.0          | 138.1          | 4.0        | 4.0        |
| <b>Cost</b>   | <b>268.6</b>   | <b>223.2</b>   | <b>4.0</b> | <b>4.0</b> |
| Plant and equipment   | 61.2           | 59.6           | -          | -          |
| Motor vehicles  | 82.9           | 71.3           | 3.7        | 3.1        |
| <b>Accumulated depreciation</b>                                 | <b>144.1</b>   | <b>130.9</b>   | <b>3.7</b> | <b>3.1</b> |
| Plant and equipment   | 54.4           | 25.5           | -          | -          |
| Motor vehicles  | 70.1           | 66.8           | 0.3        | 0.9        |
| <b>Carrying value</b>   | <b>124.5</b>   | <b>92.3</b>    | <b>0.3</b> | <b>0.9</b> |

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### 11. INVESTMENT PROPERTIES

#### Accounting policy

Investment properties which are held for rental outside the Group, capital appreciation or both are stated at fair value at the end of each reporting year. The Group accounts for land and buildings at fair valuation, based on revaluation exercises carried out by qualified independent valuers. Gains or losses arising from changes in fair value are included in Statement of profit or loss in the year in which they arise. Properties that are being constructed or developed for future use as investment properties are treated as investment properties.

Investment properties are derecognised when they are disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of profit or loss in the year of derecognition.

#### Significant accounting judgements and estimates

##### Commercial properties

- (a) The investment properties were valued at year end by Messrs Jones Lang Lasalle as independent valuers, except for land at Kendra and Domaine Sam with a carrying amount of Rs.122.7m and Rs.28.3m respectively. The Directors estimate that the carrying amount of Land at Kendra and Domaine Sam reflect the fair value.
- (b) The investment properties are classified as level 3 on the fair value hierarchy.

The basis of valuation is 'Market Value' and this is defined by the Royal Institute of Chartered Surveyor, South African Institute of Valuers and International Valuation Standards Committee.

The fair value of the properties have been computed using the discounted cash flow method. The expected future net income for 5 years has been discounted at an appropriate discount rate and added to the estimated reversionary value. The reversionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounting at an appropriate rate.

The DCF valuation is also the approach by which private, institutional, local and overseas investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

Main input used in the valuation of commercial properties is as follows:

|                                      |                 |
|--------------------------------------|-----------------|
| Capitalisation rate                  | 7.5% - 9.5%     |
| Reversionary rate                    | 7.5%-10.25%     |
| Discount rate                        | 12.5%-14.7%     |
| Market Rental Growth                 | 5%              |
| Expense Growth                       | 5%              |
| Net operating income from properties | Rs 2m - Rs 419m |

##### Real estate properties

The investment property is valued at fair value on an open-market basis and the fair value is classified as level 2.



## 11. INVESTMENT PROPERTIES (CONTD)

| <b>GROUP</b>  |              |                 |                 |                |
|---|--------------|-----------------|-----------------|----------------|
| In Rs million   | Level 2      | Level 3         | 2016            | 2015           |
| At 1 July   | 415.9        | 3,635.2         | 4,051.1         | 3,891.6        |
| Additions   | -            | 380.9           | 380.9           | 12.1           |
| Disposals   | -            | (20.5)          | (20.5)          | (15.5)         |
| Gains from fair value adjustment  | 5.6          | 379.6           | 385.2           | 170.2          |
| Exchange differences  | 2.3          | -               | 2.3             | 62.0           |
| Transfer  | (75.2)       | -               | (75.2)          | (43.1)         |
| Acquisition of subsidiaries   | -            | 5,894.1         | 5,894.1         | -              |
| Deconsolidation of subsidiaries   | -            | -               | -               | (26.2)         |
| <b>At 30 June</b>   | <b>348.6</b> | <b>10,269.3</b> | <b>10,617.9</b> | <b>4,051.1</b> |
| <b>Value of assets pledged</b>  |              |                 | <b>3,753.0</b>  | <b>1,089.0</b> |
| <b>Rental income</b>  |              |                 | <b>723.6</b>    | <b>302.0</b>   |
| <b>Direct operating expenses arising from investment properties that generate rental income</b> |              |                 | <b>291.9</b>    | <b>107.4</b>   |
| <b>Direct operating expenses that did not generate rental income</b>                            |              |                 | <b>26.6</b>     | <b>10.1</b>    |

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## 12. INTANGIBLE ASSETS

### Accounting policy

#### Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of previously held equity interest in the acquiree over the amounts of identifiable assets acquired and liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of 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 the excess is recognised immediately in the Statement of Profit or Loss. Differences from non-controlling interests acquired after control has been obtained, are set-off against equity. Goodwill is carried at cost less accumulated impairment losses.

Annual impairment tests applied to goodwill are carried out using discounted cash flow methods. This is done on the basis of expected future cash flows from the latest management planning, which are extrapolated on the basis of long-term revenue growth rates and assumptions with regard to margin development, and discounted for the capital costs of the business unit. Tests are performed at the cash generating unit (CGU) level. This test is applicable to all goodwill, except for one investment where fair value less cost to sell is used.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Other purchased goodwill consists mainly of premium paid by certain subsidiaries for acquiring agencies. This goodwill is either tested for impairment or amortised over a finite period of time to determine its carrying amount at the end of the year.

#### Computer software

Costs that are directly associated with identifiable software which will generate economic benefits beyond one year are recognised as intangible assets and are amortised over their estimated useful lives using straight line method.

Amortisation rates: 12 % - 50%

### Significant accounting judgements and estimates

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For acquired goodwill the value of the investment is based on a five year discounted cash flow method. The discount rate is estimated by management using a risk free rate of 6.98% based on the currently available interest rate and an estimated risk premium of 5.94%. This test is applicable to all goodwill, except for one investment where fair value less cost to sell is used.

At the end of the reporting year, the Group assessed the recoverable amount of goodwill and determined that there is no impairment to goodwill.



## 12. INTANGIBLE ASSETS (CONTD)

| GROUP   |                         |              |              |                |
|---|-------------------------|--------------|--------------|----------------|
| In Rs million   | Goodwill on Acquisition | Software     | Others       | Total          |
| <b>Cost</b>   |                         |              |              |                |
| At 1 July 2014  | 105.3                   | 169.9        | 101.4        | 376.6          |
| Additions   | -                       | 8.3          | 57.2         | 65.5           |
| Disposals   | -                       | (0.4)        | -            | (0.4)          |
| Exchange differences  | -                       | (0.3)        | 5.6          | 5.3            |
| Acquisition of subsidiaries                                 | 214.0                   | 8.2          | -            | 222.2          |
| Deconsolidation of subsidiaries                             | (10.5)                  | (0.9)        | -            | (11.4)         |
| <b>At 30 June 2015</b>                                      | <b>308.8</b>            | <b>184.8</b> | <b>164.2</b> | <b>657.8</b>   |
| Additions   | 56.6                    | 10.7         | -            | 67.3           |
| Disposals   | -                       | (5.1)        | -            | (5.1)          |
| Excess of fair value of net assets over consideration price | (119.1)                 | -            | -            | (119.1)        |
| Impairment  | -                       | (2.3)        | -            | (2.3)          |
| Exchange differences  | -                       | 0.1          | 0.3          | 0.4            |
| Deconsolidation of subsidiaries                             | (1.7)                   | -            | (2.0)        | (3.7)          |
| <b>At 30 June 2016</b>                                      | <b>244.6</b>            | <b>188.2</b> | <b>162.5</b> | <b>595.3</b>   |
| <b>Amortisation</b>   |                         |              |              |                |
| At 1 July 2014  | (247.7)                 | 142.4        | 6.2          | (99.1)         |
| Charge for the year   | -                       | 14.1         | 3.1          | 17.2           |
| Disposal adjustment   | -                       | (0.3)        | -            | (0.3)          |
| Acquisition of subsidiaries                                 | -                       | 7.0          | -            | 7.0            |
| Deconsolidation of subsidiaries                             | (10.5)                  | (0.9)        | -            | (11.4)         |
| <b>At 30 June 2015</b>                                      | <b>(258.2)</b>          | <b>162.3</b> | <b>9.3</b>   | <b>(86.6)</b>  |
| Charge for the year   | -                       | 10.7         | 1.2          | 11.9           |
| Disposal adjustment   | -                       | (3.4)        | -            | (3.4)          |
| Excess of fair value of net assets over consideration price | (119.1)                 | -            | -            | (119.1)        |
| Impairment  | -                       | (1.8)        | -            | (1.8)          |
| Exchange differences  | -                       | -            | (0.5)        | (0.5)          |
| Deconsolidation of subsidiaries                             | -                       | -            | (2.0)        | (2.0)          |
| <b>At 30 June 2016</b>                                      | <b>(377.3)</b>          | <b>167.8</b> | <b>8.0</b>   | <b>(201.5)</b> |
| <b>Carrying value</b>                                       |                         |              |              |                |
| <b>At 30 June 2016</b>                                      | <b>621.9</b>            | <b>20.4</b>  | <b>154.5</b> | <b>796.8</b>   |
| <b>At 30 June 2015</b>                                      | <b>567.0</b>            | <b>22.5</b>  | <b>154.9</b> | <b>744.4</b>   |

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#### 12. INTANGIBLE ASSETS (CONTD)

| <b>COMPANY</b>         |             |            |             |
|------------------------|-------------|------------|-------------|
| In Rs million          | Software    | Others     | Total       |
| <b>Cost</b>            |             |            |             |
| At 1 July 2014         | 23.5        | 3.7        | 27.2        |
| Additions              | 0.3         | -          | 0.3         |
| <b>At 30 June 2015</b> | <b>23.8</b> | <b>3.7</b> | <b>27.5</b> |
| Additions              | 0.2         | -          | 0.2         |
| <b>At 30 June 2016</b> | <b>24.0</b> | <b>3.7</b> | <b>27.7</b> |
| <b>Amortisation</b>    |             |            |             |
| At 1 July 2014         | 17.8        | -          | 17.8        |
| Charge for the year    | 2.6         | -          | 2.6         |
| <b>At 30 June 2015</b> | <b>20.4</b> | <b>-</b>   | <b>20.4</b> |
| Charge for the year    | 2.1         | -          | 2.1         |
| <b>At 30 June 2016</b> | <b>22.5</b> | <b>-</b>   | <b>22.5</b> |
| <b>Carrying value</b>  |             |            |             |
| <b>At 30 June 2016</b> | <b>1.5</b>  | <b>3.7</b> | <b>5.2</b>  |
| <b>At 30 June 2015</b> | <b>3.4</b>  | <b>3.7</b> | <b>7.1</b>  |

#### 13. INVESTMENT IN SUBSIDIARY COMPANIES

##### Accounting policy

In the separate financial statements of the Company, investments in subsidiary companies, jointly controlled entities and associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

| <b>COMPANY</b>    |                |                |  |
|-------------------|----------------|----------------|--|
| In Rs million     | 2016           | 2015           |  |
| (a) At 1 July     | 3,253.5        | 3,287.8        |  |
| Additions         | 58.5           | 1.7            |  |
| Disposals         | -              | (0.6)          |  |
| Impairment        | (3.7)          | (35.4)         |  |
| <b>At 30 June</b> | <b>3,308.3</b> | <b>3,253.5</b> |  |



### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements.

|   | Issued<br>Capital<br>Rs 000 | Proportion of<br>ownership interests |               | Proportion<br>of effective<br>ownership<br>interests held by<br>Non-controlling | Principal activity                       |
|---|-----------------------------|--------------------------------------|---------------|---|--|
|   |                             | Direct<br>%                          | Indirect<br>% | interests<br>%  |  |
| <b>AVIATION</b>                                     |                             |                                      |               |   |  |
| Ario (Seychelles) Ltd                               | 47                          | -                                    | 100.0         | -   | GSA of airlines                          |
| BS Travel Management Ltd                            | 25,000                      | -                                    | 100.0         | -   | Travel Agency                            |
| BS Travel Management Limitada                       | 216                         | -                                    | 100.0         | -   | GSA of airlines                          |
| BS Travel Mayotte                                   | 325                         | -                                    | 100.0         | -   | Travel Agency                            |
| BEAVIA Kenya Limited                                | 36                          | -                                    | 70.0          | 30.0  | Travel Agency                            |
| Blue Alize Ltd                                      | -                           | -                                    | 60.5          | 29.5  | Catamaran sightseeing                    |
| Blue Sky Réunion SAS                                | 2,813                       | -                                    | 100.0         | -   | Travel Agency                            |
| Croisières Australes Ltée                           | 3,225                       | -                                    | 75.7          | 24.3  | Catamaran sightseeing                    |
| GSAfrica Airline Services (Pty) Ltd.                | 6,509                       | -                                    | 100.0         | -   | GSA of airlines                          |
| Plaisance Air Transport Services Ltd                | 1,500                       | -                                    | 100.0         | -   | Warehousing                              |
| Resaplanet Ltd                                      | 789                         | -                                    | 80.5          | 19.5  | Online tour operating                    |
| Rogers Aviation Comores S.A.R.L.                    | 824                         | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation France S.A.R.L.                     | 20,760                      | -                                    | 100.0         | -   | Investment                               |
| Rogers Aviation Holding Company Ltd                 | 115,410                     | 100.0                                | -             | -   | Investment                               |
| Rogers Aviation International Ltd.                  | 51,390                      | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Kenya Ltd                           | 396                         | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Madagascar S.A.R.L.                 | 1,910                       | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation (Mauritius) Ltd                     | 2,525                       | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Mayotte S.A.R.L.                    | 490                         | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Mozambique Limitada                 | 54                          | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Reunion                             | 20,001                      | -                                    | 100.0         | -   | GSA of airlines                          |
| Rogers Aviation Senegal S.A.R.L.                    | -                           | -                                    | 100.0         | -   | GSA of airlines / Travel / Tour operator |
| Rogers Aviation South Africa (Pty) Ltd              | 524                         | -                                    | 100.0         | -   | GSA of airlines                          |
| Transcontinent S.A.R.L.                             | 617                         | -                                    | 66.6          | 33.4  | Travel Agency                            |
| Travelia S.A.R.L                                    | 473                         | -                                    | 80.5          | 19.5  | Online tour operating                    |
| Yacht Management Ltd                                | 10                          | -                                    | 51.1          | 61.4  | Boat cruises                             |
| <b>FINANCIAL SERVICES</b>                           |                             |                                      |               |   |  |
| Acorn International Limited                         | -                           | -                                    | 100.0         | 57.4  | Global business                          |
| City Executives Limited                             | 50                          | -                                    | 100.0         | 57.4  | Global business                          |
| Denning Ltd   | -                           | -                                    | 100.0         | 57.4  | Global business                          |
| * Kross Border Accounting Services Ltd              | -                           | -                                    | 100.0         | 58.0  | Global business                          |
| * Kross Border Business Services Ltd                | -                           | -                                    | 100.0         | 58.0  | Global business                          |
| Kross Border Corporate Services Ltd                 | 782                         | -                                    | 70.0          | 57.4  | Global business                          |
| Kross Border Corporate Services (Singapore) Pte Ltd | 238                         | -                                    | 70.0          | 58.0  | Global business                          |



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#### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements (contd).

|   | Issued<br>Capital<br>Rs 000 | Proportion of<br>ownership interests |               | Proportion<br>of effective<br>ownership<br>interests held by<br>Non-controlling | Principal activity    |
|---|-----------------------------|--------------------------------------|---------------|---|-----------------------|
|   |                             | Direct<br>%                          | Indirect<br>% | interests<br>%  |                       |
| <b>FINANCIAL SERVICES (CONTD)</b>             |                             |                                      |               |   |                       |
| Kross Border Financial Services Ltd           | 527                         | -                                    | 100.0         | 57.4  | Global business       |
| Kross Border Financial Services - Nominee Ltd | -                           | -                                    | 100.0         | 57.4  | Global business       |
| Kross Border Holdings Limited                 | -                           | -                                    | 100.0         | 57.4  | Global business       |
| Kross Border Insurance Services Ltd           | 2,215                       | -                                    | 100.0         | 58.0  | Global business       |
| Kross Border Specialist Services Ltd          | 100                         | -                                    | 70.0          | 58.0  | Global business       |
| * River Court Administrators Limited          | 600                         | -                                    | 100.0         | 57.4  | Global business       |
| * River Court Nominees Limited                | 100                         | -                                    | 100.0         | 57.4  | Global business       |
| * River Court Trustees Limited                | 1,400                       | -                                    | 100.0         | 57.4  | Global business       |
| Rogers Asset Management Ltd                   | 8,000                       | -                                    | 100.0         | 40.0  | Asset Management      |
| Rogers Capital Ltd                            | 140,707                     | 60.0                                 | -             | 40.0  | Investment            |
| Rogers Wealth Management Ltd                  | 601                         | -                                    | 100.0         | 40.0  | Investment            |
| Tabla Ltd                                     | -                           | -                                    | 100.0         | 57.4  | Global business       |
| <b>HOTELS</b>                                 |                             |                                      |               |   |                       |
| Adnarev Ltd                                   | 76,464                      | -                                    | 100.0         | 24.0  | Hotel                 |
| Heritage Golf Club Ltd                        | 310,350                     | -                                    | 100.0         | 36.9  | Golf Course           |
| Heritage Events Company Ltd                   | 100                         | -                                    | 100.0         | 24.0  | Investment            |
| Seven Colours Spa Ltd                         | 20,025                      | -                                    | 100.0         | 24.0  | Management Services   |
| Société Dow Jones                             | 3,617                       | -                                    | 100.0         | 24.0  | Property              |
| Société Zone Finance                          | 14,000                      | -                                    | 100.0         | 24.0  | Property              |
| VLH Holding Ltd                               | 437,265                     | 76.0                                 | -             | 24.0  | Property              |
| VLH Ltd                                       | 555,276                     | -                                    | 100.0         | 24.0  | Hotel                 |
| VLH Training Ltd                              | 1,015                       | -                                    | 100.0         | 24.0  | Management Services   |
| <b>LOGISTICS</b>                              |                             |                                      |               |   |                       |
| Associated Container Services Ltd             | 18,301                      | -                                    | 100.0         | 33.3  | Port Related Services |
| Cargo Express Madagascar S.A.R.L.             | 168                         | -                                    | 100.0         | 33.8  | Freight Forwarding    |
| Velicog Haulage Services Ltd                  | 975                         | -                                    | 80.0          | 46.6  | Transport Services    |
| FOM Warehouse Ltd                             | 100                         | 45.7                                 | 54.3          | 17.0  | Port Related Services |
| Freeport Operations (Mtius) Ltd               | 133,447                     | -                                    | 100.0         | 34.7  | Port Related Services |
| * General Cargo Services Limited              | 889                         | -                                    | 100.0         | 66.2  | Port Related Services |
| * Gencargo (Transport) Limited                | 1,422                       | -                                    | 80.0          | 73.0  | Transport Services    |
| Logistics Solutions Ltd                       | 360,483                     | 1.4                                  | 98.6          | 33.3  | Investment            |
| MTL Logistics and Distribution Co Ltd         | 1,688                       | -                                    | 100.0         | 33.8  | Transport Company     |
| P.A.P.O.L.C.S. Ltd                            | 100                         | -                                    | 80.0          | 68.2  | Stevedoring           |
| Papol Holding Limited                         | 100                         | -                                    | 60.0          | 60.3  | Investment            |



### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements (contd).

|   | Issued<br>Capital<br>Rs 000 | Proportion of<br>ownership interests |               | Proportion<br>of effective<br>ownership<br>interests held by<br>Non-controlling<br>interests | Principal activity              |
|---|-----------------------------|--------------------------------------|---------------|--|---------------------------------|
|   |                             | Direct<br>%                          | Indirect<br>% | %  |                                 |
| <b>LOGISTICS (CONTD)</b>                            |                             |                                      |               |  |                                 |
| Rogers International Distribution Services Limitada | 63                          | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Rogers International Distribution Services S.A.     | 7,678                       | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Rogers International Distribution Services S.A.R.L. | 8                           | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Rogers Logistics International Ltd                  | 2,358                       | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Rogers Logistics Services Company Ltd               | 100                         | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Rogers Shipping Ltd                                 | 721                         | -                                    | 100.0         | 54.5   | Freight Forwarding              |
| Rogers Shipping Pte Ltd                             | 3                           | -                                    | 51.0          | 66.2   | Shipping Agency                 |
| Société du Port                                     | 207,223                     | 96.1                                 | 3.9           | -  | Investment                      |
| Southern Marine & Co Ltd                            | 500                         | -                                    | 100.0         | 54.5   | Shipping Services               |
| Sukpak Ltd  | 1,200                       | -                                    | 70.0          | 53.6   | Packing of special sugars       |
| Thermoil Company Ltd                                | 100                         | 80.0                                 | -             | 20.0   | Bitumen Agency                  |
| Transworld International Ltd                        | 25                          | -                                    | 100.0         | 33.8   | Dormant                         |
| Velogic Depot and Warehouse Ltd                     | 300                         | -                                    | 100.0         | 33.8   | Dormant                         |
| Velogic Garage Services Ltd                         | 50                          | -                                    | 100.0         | 46.6   | Transport Company               |
| Velogic India Private Ltd                           | 11,156                      | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Velogic Holding Company Ltd                         | 1,019,294                   | 66.2                                 | -             | 33.8   | Investment                      |
| Velogic Sea Frigo R'Frigo S.A.                      | 4,085                       | -                                    | 100.0         | 33.8   | Freight Forwarding              |
| Velogic Ltd   | 83,985                      | -                                    | 100.0         | 33.8   | Management Services             |
| * VK Logistics Ltd                                  | 163,814                     | -                                    | 51.0          | 66.2   | Investment                      |
| <b>PROPERTY</b>                                     |                             |                                      |               |  |                                 |
| Ascencia Limited                                    | 3,602,171                   | -                                    | 40.5          | 59.5   | Property                        |
| * Bagaprop Limited                                  | 1,252,101                   | -                                    | 85.0          | 65.6   | Property                        |
| Foresite Property Holding Ltd                       | 1,028,269                   | 100.0                                | -             | -  | Property                        |
| * Gardens of Bagatelle Ltd                          | 245,446                     | -                                    | 100.0         | 59.5   | Property                        |
| Motor Traders Ltd                                   | 500                         | 100.0                                | -             | -  | Property                        |
| Société de la Crécerelle                            | 1                           | 100.0                                | -             | -  | Property                        |
| Société du Bengali                                  | 1                           | 100.0                                | -             | -  | Property                        |
| Société du Katover                                  | 1                           | 100.0                                | -             | -  | Property                        |
| <b>REAL ESTATE AND AGRIBUSINESS</b>                 |                             |                                      |               |  |                                 |
| Case Noyale Ltée                                    | 7                           | 1.3                                  | 52.3          | 62.7   | Investment                      |
| Cie. Sucrière de Bel Ombre Ltd                      | 33,300                      | 1.2                                  | 52.3          | 62.7   | Agriculture and Investment      |
| Le Marché du Moulin Ltd                             | 1                           | -                                    | 100.0         | 77.6   | Retail                          |
| Les Villas de Bel Ombre Ltée                        | 291,135                     | -                                    | 60.0          | 77.6   | Construction and Sales of Villa |
| South West Tourism Development Co. Ltd              | 4,950                       | 68.9                                 | 2.0           | 31.1   | Investment                      |
| Villas Valriche Resorts Ltd                         | 1                           | -                                    | 100.0         | 77.6   | Rental Pool Managemnet Company  |

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### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(b) The financial statements of the following subsidiaries have been included in the consolidated financial statements (contd).

|  | Issued<br>Capital<br>Rs 000 | Proportion of<br>ownership interests |               | Proportion<br>of effective<br>ownership<br>interests held by<br>Non-controlling<br>interests | Principal activity |
|--|-----------------------------|--------------------------------------|---------------|--|--------------------|
|  |                             | Direct<br>%                          | Indirect<br>% | %  |                    |
| <b>TECHNOLOGY</b>                          |                             |                                      |               |  |                    |
| Enterprise Information Solutions Ltd       | 15,977                      | 100.0                                | -             | -  | IT Services        |
| Enterprise Information Systems Ltd (Kenya) | -                           | -                                    | 100.0         | -  | IT Services        |
| EIS Outsourcing Ltd                        | 15,000                      | -                                    | 100.0         | -  | IT Services        |
| <b>CORPORATE OFFICE</b>                    |                             |                                      |               |  |                    |
| Fleet Investment Supply and Husbandry Ltd  | -                           | -                                    | 100.0         | -  | Dormant            |
| Rogers Corporate Services Ltd              | 1,201                       | 100.0                                | -             | -  | Dormant            |

Note: Ordinary shares are issued for the above subsidiaries and the statutory reporting date is 30.06.2016 for the companies.

\* Not Consolidated in 2015



### 13. INVESTMENT IN SUBSIDIARY COMPANIES (CONTD)

(c) The above subsidiaries are incorporated and operate in Mauritius except for:

|   | Country of incorporation / place of business |
|---|--|
| Ario (Seychelles) Ltd                               | Republic of Seychelles                       |
| BS Travel Management Limitada                       | Republic of Mozambique                       |
| BS Travel Mayotte                                   | Mayotte                                      |
| BEAVIA Kenya Limited                                | Republic of Kenya                            |
| Blue Sky Réunion SAS                                | Réunion Island                               |
| Cargo Express Madagascar S.A.R.L.                   | Republic of Malagasy                         |
| Enterprise Information Systems Ltd (Kenya)          | Republic of Kenya                            |
| Gencargo (Transport) Limited                        | Republic of Kenya                            |
| General Cargo Services Limited                      | Republic of Kenya                            |
| GSAfrica Airline Services (Pty) Ltd                 | Republic of South Africa                     |
| Kross Border Corporate Services (Singapore) Pte Ltd | Republic of Singapore                        |
| Rogers Aviation Comores S.A.R.L.                    | Republic of Comores                          |
| Rogers Aviation France S.A.R.L.                     | Réunion Island                               |
| Rogers Aviation Kenya Ltd                           | Republic of Kenya                            |
| Rogers Aviation Madagascar S.A.R.L.                 | Republic of Malagasy                         |
| Rogers Aviation Mayotte S.A.R.L.                    | Mayotte                                      |
| Rogers Aviation Mozambique Limitada                 | Republic of Mozambique                       |
| Rogers Aviation Senegal S.A.R.L.                    | Republic of Senegal                          |
| Rogers Aviation South Africa (Pty) Ltd              | Republic of South Africa                     |
| Rogers International Distribution Services Limitada | Republic of Mozambique                       |
| Rogers International Distribution Services S.A.     | French Republic                              |
| Rogers International Distribution Services S.A.R.L. | Republic of Malagasy                         |
| Rogers Shipping Pte Ltd                             | Republic of Singapore                        |
| Sabre South Africa Ltd                              | Republic of South Africa                     |
| Transcontinent S.A.R.L.                             | Republic of Malagasy                         |
| Travelia S.A.R.L.                                   | Réunion Island                               |
| Velogic India Private Ltd                           | Republic of India                            |
| Velogic Sea Frigo R'Frigo SA                        | Réunion Island                               |

(d) The financial statements of Ascencia Ltd have been consolidated at 40.45% equity interests:

Foresite Property Holding Ltd, a subsidiary of Rogers and Company Ltd ('Rogers') and ENL Property Ltd ('EPL') have respectively an effective holding of 40.45% and 28.61% in the share capital of Ascencia Ltd;

ENL Ltd is the majority shareholder of both Rogers and EPL;

Both ENL Ltd and EPL hereby confirm that the Board of Ascencia Ltd will systematically have a minimum of half of its Board members nominated by Rogers which shall also have the chairmanship and a casting vote;

Futhermore, for all shareholder matters concerning Ascencia Ltd, EPL shall vote in the same manner as Rogers.

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### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

#### Accounting policy

Jointly controlled entities are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets and obligations for the liabilities of the joint arrangement. It is the contractually agreed sharing of control of an arrangement which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

Associated companies are entities over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in jointly controlled entities and associated companies are accounted for using the equity method. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the jointly controlled entity and associate after the date of acquisition. The Group's share of its jointly controlled entity and associate's post acquisition profits or losses is recognised in the Statement of Profit or Loss and its share of post acquisition movements in reserves in Other Comprehensive Income.

Goodwill arising on the acquisition of a jointly controlled entity or an associate is included with the carrying amount of the jointly controlled entity or associate and tested annually for impairment. When the Group's share of losses exceeds the carrying amount of the investment, the latter is reported at nil value. Recognition of the Group's share of losses is discontinued except to the extent of the Group's legal and constructive obligations contracted on behalf of the jointly controlled entity or associate. If the jointly controlled entity or associate subsequently reports profits, the Group resumes recognising its share of those profits after accounting for its share of unrecognised past losses. Unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity or associate.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate. Dilution of gains and losses arising in investments in associates are recognised in profit or loss.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence and the investment will then be measured at fair value. The Group recognises in the Statement of Profit or Loss the difference between the fair value of retained investment including any proceeds from disposal and the carrying amount of the investment at the date when significant influence is lost.

In the separate financial statements of the Company, investments in jointly controlled entities and associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

#### Significant accounting judgements and estimates

Significant judgements and assumptions are made in determining whether an entity has joint control or significant influence over another entity and the type of joint arrangement. In considering the classification management considers whether control exists, the nature and structure of the relationship and other facts and circumstances.



#### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

| <b>GROUP</b>   |              |                |
|--|--------------|----------------|
| In Rs million  | 2016         | 2015           |
| <b>Investment in jointly controlled entities</b>                               |              |                |
| (a) Cost of investment in jointly controlled entities                          | 193.9        | 1,195.6        |
| Share of reserves  | (58.4)       | 622.8          |
| <b>Carrying amount of the Group's interests in jointly controlled entities</b> | <b>135.5</b> | <b>1,818.4</b> |
| (b) Movement of share of net assets:   |              |                |
| At 01 July   | 1,818.4      | 1,397.5        |
| Additions  | 120.8        | 34.3           |
| Transfer to investment in subsidiary companies                                 | (1,676.6)    | -              |
| Disposal   | (71.6)       | (0.4)          |
| Share of profit for the year:  |              |                |
| Attributable to increase in fair value of investment property                  | -            | 324.0          |
| Net operating (loss) profit  | (49.7)       | 59.3           |
| Share of other comprehensive income for the year                               | (0.6)        | 3.7            |
| Dividends  | (5.2)        | -              |
| <b>At 30 June</b>  | <b>135.5</b> | <b>1,818.4</b> |

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### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

(c) At 30 June 2015, the Group held 50.1% in Bagaprop Limited. In July 2015, the Group acquired an additional holding of 34.9%, increasing the Group's holding in Bagaprop Limited to 85%. Bagaprop Limited is hence consolidated as a subsidiary company.

Summarised financial information for Bagaprop Limited, a major jointly controlled entity, is set out below:

| GROUP  |      |         |
|--|------|---------|
| In Rs million  | 2016 | 2015    |
| Statement of Profit or Loss and Other Comprehensive Income   |      |         |
| <b>Revenue</b>   | -    | 521.8   |
| Profit for the year  | -    | 758.5   |
| Other Comprehensive Income for the year  | -    | (0.8)   |
| <b>Total comprehensive income for the year</b>   | -    | 757.7   |
| Share of profit  | -    | 380.0   |
| Share of other comprehensive income  | -    | (0.4)   |
| <b>Share of total comprehensive income</b>   | -    | 379.6   |
| The above profit for the year include the following:   |      |         |
| <b>Depreciation</b>  | -    | 1.7     |
| <b>Interest income</b>   | -    | 4.3     |
| <b>Interest expense</b>  | -    | 161.6   |
| <b>Income tax expense</b>  | -    | 22.3    |
| Reconciliation of the above summarised financial information to the carrying amount of the interest in the jointly controlled entity recognised in the financial statements: |      |         |
| Cost of investment   | -    | 1,051.4 |
| Share of reserves  | -    | 582.4   |
|  | -    | 1,633.8 |
| Excess of fair value of the share of net assets over value of shares issued  | -    | 42.6    |
| <b>Carrying amount of the Group's interest in the jointly controlled entity</b>  | -    | 1,676.4 |
| Statement of Financial Position  |      |         |
| Non current assets   | -    | 5,469.6 |
| Current assets   | -    | 127.0   |
| <b>Total assets</b>  | -    | 5,596.6 |
| Capital and reserves   | -    | 3,346.9 |
| Non-current liabilities  | -    | 2,077.9 |
| Current liabilities  | -    | 171.8   |
| <b>Total equity and liabilities</b>  | -    | 5,596.6 |
| The above amounts of assets and liabilities include the following:   |      |         |
| <b>Cash and cash equivalents</b>   | -    | 61.6    |
| <b>Current financial liabilities (excluding trade and other payables and provisions)</b>   | -    | 76.1    |
| <b>Non-current financial liabilities (excluding trade and other payables and provisions)</b>   | -    | 2,031.3 |



#### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

(d) Summarised financial information for other jointly controlled entities is set out below:

| <b>GROUP</b>  |               |              |
|---|---------------|--------------|
| In Rs million   | 2016          | 2015         |
| (Loss) profit for the year  | (99.8)        | 6.5          |
| Other Comprehensive Income for the year   | 2.2           | 8.2          |
| <b>Total comprehensive income for the year</b>  | <b>(97.6)</b> | <b>14.7</b>  |
| Share of (loss) profit for the year   | (49.7)        | 3.3          |
| Share of other Comprehensive Income for the year  | (0.6)         | 4.1          |
| <b>Share of total comprehensive income for the year</b>                                 | <b>(50.3)</b> | <b>7.4</b>   |
| <b>Carrying amount of the Group's interest in the other jointly controlled entities</b> | <b>135.5</b>  | <b>142.0</b> |

| <b>GROUP</b>                   |  |                          |                  |      |                              |
|--------------------------------|--|--------------------------|------------------|------|------------------------------|
| In Rs million                  | Country of Incorporation / place of business | Statutory reporting year | % Direct Holding |      | Principal Activity           |
|                                |  |                          | 2016             | 2015 |                              |
| Axa Customer Services Ltd      | Mauritius                                    | 31.12.15                 | 50.0             | 50.0 | Business process outsourcing |
| Floreale Commercial Centre Ltd | Mauritius                                    | 30.09.15                 | 50.0             | -    | Property                     |
| Jacotet Bay Ltd                | Mauritius                                    | 30.06.16                 | 50.0             | 50.0 | Property                     |

The above jointly controlled entities are private companies and there is no quoted market price available for their shares.

For the associated companies having different reporting date, management accounts have been prepared at 30 June 2016.

(f) In October 2015 and December 2015, the Group disposed of the 50% interest in R'Frigo Ltd and 50% interest in Edith Cavell Properties Ltd respectively. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows:

| <b>GROUP</b>   |            |          |
|--|------------|----------|
| In Rs million  | 2016       | 2015     |
| Proceeds of disposal   | 74.4       | -        |
| Less carrying value of investment on the date of loss on significant influence | (72.4)     | -        |
| <b>Gains recognised in the Statement of Profit or Loss</b>                     | <b>2.0</b> | <b>-</b> |

| <b>COMPANY</b>    |             |              |
|-------------------|-------------|--------------|
| In Rs million     | 2016        | 2015         |
| At 1 July         | 101.8       | 96.2         |
| Disposals         | (69.5)      | -            |
| Reversal          | 0.9         | 5.6          |
| <b>At 30 June</b> | <b>33.2</b> | <b>101.8</b> |



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#### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

| <b>GROUP</b>   |   |                |                |
|--|---|----------------|----------------|
| In Rs million  |   | 2016           | 2015           |
| <b>Investment in associated companies</b>                              |   |                |                |
| (h)  | Cost of investment in associated companies                    | 3,507.9        | 2,953.0        |
|  | Share of reserves   | 1,309.5        | 1,399.1        |
| <b>Carrying amount of the Group's interest in associated companies</b> |   | <b>4,817.4</b> | <b>4,352.1</b> |
| (i)  | Movement of share of net assets:                              |                |                |
|  | At 01 July  | 4,352.1        | 4,088.1        |
|  | Additions   | 554.8          | 63.2           |
|  | Share of profit for the year                                  | 88.0           | 238.0          |
|  | Share of other comprehensive income for the year              | (32.9)         | (44.2)         |
|  | Dividends   | (107.5)        | (88.3)         |
|  | Excess of fair value of share of net assets over quoted price | 50.2           | -              |
|  | Movement in reserves (see note)                               | -              | 104.3          |
|  | Deconsolidation adjustments                                   | (87.3)         | (9.0)          |
| <b>At 30 June</b>  |   | <b>4,817.4</b> | <b>4,352.1</b> |

Note : The amount in 2015 relates to the surplus on revaluation of its life policy fund by Swan Life Ltd and transferred to the Proprietor's Fund as a non-distributable reserves.

(j) Summarised financial information in respect of the Group's major associated companies is set out below:

| <b>GROUP</b>   | Year ended 30 June 2016 |                |
|--|-------------------------|----------------|
|  | NMH                     | Swan           |
| In Rs million  |                         |                |
| Statement of Profit or Loss and Other Comprehensive Income                 |                         |                |
| Revenue  | 9,810.6                 | 6,251.5        |
| (Loss) profit for the year   | (45.3)                  | 238.2          |
| Other Comprehensive Income for the year                                    | 40.1                    | (168.9)        |
| <b>Total Comprehensive Income for the year</b>                             | <b>(5.2)</b>            | <b>69.3</b>    |
| Share of (loss) profit   | (56.7)                  | 69.5           |
| Share of other comprehensive income  | 54.2                    | (74.9)         |
| <b>Share of total comprehensive income</b>                                 | <b>(2.5)</b>            | <b>(5.4)</b>   |
| Statement of Financial Position  |                         |                |
| Non current assets   | 28.0                    | 35.0           |
| Current assets   | 8.9                     | 3.0            |
| <b>Total assets</b>  | <b>36.9</b>             | <b>38.0</b>    |
| Capital and reserves   | 13.7                    | 2.7            |
| Non-current liabilities  | 14.9                    | 34.9           |
| Current liabilities  | 8.3                     | 0.4            |
| <b>Total equity and liabilities</b>  | <b>36.9</b>             | <b>38.0</b>    |
| <b>Carrying amount of the Group's interest in the associated companies</b> | <b>2,637.9</b>          | <b>1,346.6</b> |



#### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

| GROUP<br>In Rs million   | Year ended 30 June 2015 |                 |
|--|-------------------------|-----------------|
|  | NMH                     | Swan            |
| Statement of Profit or Loss and Other Comprehensive Income                 |                         |                 |
| Revenue  | 9,578.7                 | 4,884.2         |
| Profit for the year  | 508.7                   | 260.4           |
| Other Comprehensive Income for the year                                    | (196.0)                 | 238.0           |
| <b>Total Comprehensive Income for the year</b>                             | <b>312.7</b>            | <b>498.4</b>    |
| Share of profit  | 96.8                    | 52.3            |
| Share of Other Comprehensive Income  | (78.9)                  | 48.7            |
| <b>Share of Total Comprehensive Income</b>                                 | <b>17.9</b>             | <b>101.0</b>    |
| Statement of Financial Position  |                         |                 |
| Non current assets   | 28,367.2                | 34,202.3        |
| Current assets   | 8,099.7                 | 2,846.9         |
| <b>Total assets</b>  | <b>36,466.9</b>         | <b>37,049.2</b> |
| Capital and reserves   | 13,948.4                | 2,814.6         |
| Non-current liabilities  | 10,550.2                | 33,821.8        |
| Current liabilities  | 11,968.3                | 412.8           |
| <b>Total equity and liabilities</b>  | <b>36,466.9</b>         | <b>37,049.2</b> |
| <b>Carrying amount of the Group's interest in the associated companies</b> | <b>2,442.5</b>          | <b>1,376.8</b>  |

(k) Summarised financial information for immaterial associated companies is set out below:

| GROUP<br>In Rs million  | 2016         | 2015         |
|---|--------------|--------------|
| Profit for the year   | 280.3        | 166.3        |
| Other Comprehensive Income for the year   | (44.3)       | (53.1)       |
| <b>Total comprehensive income for the year</b>  | <b>236.0</b> | <b>113.2</b> |
| <b>Carrying amount of the Group's interest in the immaterial associated companies</b> | <b>832.9</b> | <b>532.8</b> |

| (l) COMPANY<br>In Rs million | 2016           | 2015           |
|------------------------------|----------------|----------------|
| At 1 July                    | 2,838.0        | 2,776.6        |
| Additions                    | 293.2          | 61.5           |
| Disposals                    | -              | (0.1)          |
| At 30 June                   | <b>3,131.2</b> | <b>2,838.0</b> |

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30 June 2016

#### 14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES (CONTD)

The following associated companies have been included in the consolidated financial statements:

|  | Country of<br>Incorporation /<br>Place of business | Statutory<br>reporting year | % of<br>effective holding |      | Principal activity                         |
|--|--|-----------------------------|---------------------------|------|--|
|  |  |                             | 2016                      | 2015 |  |
| ** Air Cargo Service Madagascar Ltd            | Madagascar   | 31.12.15                    | 50.0                      | -    | Ground handling services                   |
| **Bioculture (Mauritius) Ltd                   | Mauritius  | 30.06.16                    | 16.4                      | -    | Breeding and export of primates            |
| Blue Connect Ltd                               | Mauritius  | 30.09.15                    | 30.0                      | 30.0 | Business process outsourcing               |
| Blue Frog Limited                              | Mauritius  | 30.06.16                    | 27.3                      | 27.3 | Procurement Management                     |
| Enatt Ltd                                      | Mauritius  | 30.06.16                    | 21.3                      | 21.3 | Property Management company                |
| *ESP Landscapers                               | Mauritius  | 30.06.16                    | 7.5                       | 7.5  | Landscaping services                       |
| *Espral Co Ltd                                 | Mauritius  | 30.06.16                    | 7.5                       | 7.5  | Property development                       |
| FPHL Infra Ltd                                 | Mauritius  | 30.06.16                    | 49.0                      | 49.0 | Investment                                 |
| Lagoona Cruise Ltd                             | Mauritius  | 30.06.16                    | 33.3                      | 33.3 | Boat Cruises activities                    |
| Island Bulk Carriers Pte Ltd                   | Singapore  | 31.12.15                    | 11.9                      | 11.9 | Shipping activities                        |
| **Mall of Mauritius at Bagatelle Ltd           | Mauritius  | 30.06.16                    | 25.0                      | -    | Property                                   |
| Le Morne Development Corporation Ltd           | Mauritius  | 30.09.15                    | 20.0                      | 20.0 | Property                                   |
| Mauritian Coal and Allied Services Company Ltd | Mauritius  | 30.09.15                    | 25.6                      | 25.6 | Coal supplier                              |
| Mautourco Ltd                                  | Mauritius  | 30.09.15                    | 49.0                      | 49.0 | Vehicle rental and tours                   |
| Mozambique Airport Handling Services Limitada  | Mozambique   | 30.09.15                    | 29.0                      | 29.0 | Ground handling services                   |
| New Mauritius Hotels Limited                   | Mauritius  | 30.09.15                    | 19.3                      | 17.7 | Hotels                                     |
| Reliance Facilities Ltd                        | Mauritius  | 30.06.16                    | 49.0                      | 49.0 | Security services                          |
| Reliance Security Services Ltd                 | Mauritius  | 30.06.16                    | 49.0                      | 49.0 | Security services                          |
| Reliance Systems Ltd                           | Mauritius  | 30.06.16                    | 49.0                      | 49.0 | Security services                          |
| *Sainte Marie Crushing Plant Ltd               | Mauritius  | 30.06.16                    | 8.8                       | 8.8  | Manufacture and Sale of Building materials |
| Société Grande Castagnole                      | Mauritius  | 30.09.15                    | 49.0                      | 49.0 | Investment                                 |
| Société Pur Blanca                             | Mauritius  | 30.09.15                    | 49.0                      | 49.0 | Investment                                 |
| Swan Financial Solutions Ltd                   | Mauritius  | 31.12.15                    | 20.0                      | 20.0 | Insurance                                  |
| Swan General Ltd                               | Mauritius  | 31.12.15                    | 28.8                      | 28.8 | Insurance                                  |
| White Palm Ltd                                 | Mauritius  | 30.09.15                    | 49.0                      | 49.0 | Vehicle rental and tours                   |

All the above associates are accounted for using the equity method.

Rogers and Company Ltd holds directly 19.3% interests in NMH and its parent company owns directly 10.6%. Both companies exercise significant influence over the affairs of NMH. As a consequence, RCL reports its 19.3% interest as an associate despite the fact that the Group's ownership is less than 20%.

As at 30 June 2016, the fair value of the Group interest in New Mauritius Hotel Limited and Swan General Ltd which are listed on the Stock Exchange of Mauritius were Rs 1,884.2m and Rs 723.1m respectively (2015 Rs 1,751.7m and Rs 859.2m respectively) based on the quoted market price available, which is a level 1 input in terms of IFRS 13.

\*Significant influence obtained through subsidiaries

\*\*Associate consolidated in 2016



## 15. INVESTMENT IN FINANCIAL ASSETS

### Accounting policy

#### Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables originated by the enterprises and the classification depends on the purpose of the financial asset.

- Available-for-sale investments

Available-for-sale assets are non-derivative investments and other assets that are either designated in this category or not classified in any of the other categories. Available-for-sale assets are included in non-current assets unless management intends to dispose of them within 12 months of the period-end date.

- Loans and receivables originated by the enterprise

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the period-end date where these are classified as non-current assets.

#### Recognition and measurement

Purchases and sales of financial assets are recognised on their trade date, which is the date when the Group contracts with the purchaser or seller. Financial assets are initially recognised at cost. Transaction costs are included for all financial instruments not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash have expired or have been transferred and the Group has transferred substantially all risks and rewards.

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

Financial instruments classified as loans and receivables and amortised cost are subsequently measured using the effective interest method.

The Group assesses at each period-end date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are recognised only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably measured.

Level 1 financial assets are those with unadjusted quoted prices in active markets for identical investments.

Level 2 financial assets include quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (ie, interest rates or yields) and inputs that are derived from or corroborated by observable market data.

Level 3 includes unobservable inputs that reflect directors assumptions about what factors market participants would use in pricing such investments. These inputs are based on the best information available including the Group's own information.

## ASSETS

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#### 15. INVESTMENT IN FINANCIAL ASSETS (CONTD)

| (a) <b>GROUP</b>                                   |              |              | 2016         | 2015         |
|--|--------------|--------------|--------------|--------------|
| In Rs million                                      | Level 1      | Level 3      | Total        | Total        |
| <b>Non-current</b>                                 |              |              |              |              |
| Available-for-sale investments                     |              |              |              |              |
| At 1 July  | 61.8         | 180.8        | 242.6        | 345.9        |
| Additions  | 333.2        | -            | 333.2        | 15.2         |
| Disposals  | -            | (1.2)        | (1.2)        | (30.7)       |
| Change in fair value                               | 23.6         | 28.8         | 52.4         | (87.8)       |
| <b>At 30 June</b>                                  | <b>418.6</b> | <b>208.4</b> | <b>627.0</b> | <b>242.6</b> |
| <b>Current</b>                                     |              |              |              |              |
| Loans and receivables originated by the enterprise |              |              |              |              |
| At 1 July  | -            | 200.0        | 200.0        | 67.2         |
| Loans granted                                      | -            | -            | -            | 200.0        |
| Loans repaid                                       | -            | (200.0)      | (200.0)      | (67.2)       |
| <b>At 30 June</b>                                  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>200.0</b> |
| <b>Total investment in financial assets</b>        | <b>418.6</b> | <b>208.4</b> | <b>627.0</b> | <b>442.6</b> |
| <br>   |              |              |              |              |
| (b) <b>COMPANY</b>                                 |              |              | 2016         | 2015         |
| In Rs million                                      | Level 1      | Level 3      | Total        | Total        |
| <b>Non-current</b>                                 |              |              |              |              |
| Available for sale investments                     |              |              |              |              |
| At 1 July  | 58.5         | 170.2        | 228.7        | 314.5        |
| Additions  | 333.1        | -            | 333.1        | 1.5          |
| Change in fair value                               | 22.6         | 28.8         | 51.4         | (87.3)       |
| <b>At 30 June</b>                                  | <b>414.2</b> | <b>199.0</b> | <b>613.2</b> | <b>228.7</b> |
| <b>Current</b>                                     |              |              |              |              |
| Loans and receivables originated by the enterprise |              |              |              |              |
| At 1 July  | -            | 200.0        | 200.0        | 67.2         |
| Loans granted                                      | -            | -            | -            | 200.0        |
| Loans repaid                                       | -            | (200.0)      | (200.0)      | (67.2)       |
| <b>At 30 June</b>                                  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>200.0</b> |
| <b>Total investment in financial assets</b>        | <b>414.2</b> | <b>199.0</b> | <b>613.2</b> | <b>428.7</b> |



## 16. BIOLOGICAL ASSETS

### Accounting policy

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

Consumable biological assets are stated at their fair values less costs to sell and relate to the value of standing crop, deer farming and palm trees.

### Significant accounting judgements and estimates

Bearer biological assets have been estimated based on the cost of land preparation and planting costs of bearer canes and anthurium plants.

Consumable biological assets are stated at their fair values less costs to sell and relate to the value of standing crop, deer farming and palm trees. The fair value of consumable biological assets has been arrived at by discounting the present value of expected net cash flows from standing canes at the relevant market determined pre-tax rate.

The expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets.

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

| GROUP                               |  |             |             |
|-------------------------------------|--|-------------|-------------|
| In Rs million                       |  | 2016        | 2015        |
| Bearer Biological Assets            |  |             |             |
| <b>Cost</b>                         |  |             |             |
| At 1 July                           |  | 80.0        | 83.7        |
| Expenditure during the year         |  | 2.9         | 4.9         |
| Disposals                           |  | -           | (8.6)       |
| <b>At 30 June</b>                   |  | <b>82.9</b> | <b>80.0</b> |
| <b>Amortisation</b>                 |  |             |             |
| At 1 July                           |  | 61.4        | 66.6        |
| Charge for the year                 |  | 2.7         | 3.4         |
| Disposal adjustments                |  | -           | (8.6)       |
| <b>At 30 June</b>                   |  | <b>64.1</b> | <b>61.4</b> |
| <b>Carrying value</b>               |  |             |             |
| <b>At 30 June</b>                   |  | <b>18.8</b> | <b>18.6</b> |
| <b>Consumable Biological Assets</b> |  | <b>90.7</b> | <b>96.5</b> |

At 30 June 2016, standing canes comprised approximately 601 hectares of cane plantations (2015: 541 hectares).

During the year, the Group harvested approximately 44,350 tonnes of canes (2015: 45,236 tonnes of canes).

## ASSETS

### EXPLANATORY NOTES

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#### 17. NON-CURRENT RECEIVABLE

##### Accounting policy

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

| In Rs million                             | GROUP       |              | COMPANY        |                |
|---|-------------|--------------|----------------|----------------|
|   | 2016        | 2015         | 2016           | 2015           |
| Loan receivable from subsidiary companies | -           | -            | 987.1          | 1,005.2        |
| Loan receivable from other companies      | 84.7        | 137.5        | 28.2           | 81.6           |
| <b>Total non-current receivable</b>       | <b>84.7</b> | <b>137.5</b> | <b>1,015.3</b> | <b>1,086.8</b> |

The carrying amount of long term loans receivable approximate their fair values, are unsecured and are repayable by instalments after more than one year.



## 18. DEFERRED EXPENDITURE

### Accounting policy

#### Voluntary Retirement Scheme (VRS)

VRS costs (net of receipts from Sugar Reform Trust), together with the costs of land and provision for infrastructure costs have been capitalised and amortised over a maximum period of five years. Any profit realised on sale of land under VRS is credited to the deferred expenditure account up to the total standing on this account. Any surplus is credited to the Statement of Profit or Loss.

#### Premium on Leasehold Land

Premium paid on leasehold land is accounted for as deferred expenditure and is debited to the Statement of Profit or Loss over the number of years remaining on those leases.

#### Others

In order to match cost and revenue of providing services over the period of the contract, certain expenditure related thereto is deferred. Professional fees are included in other deferred expenditure and will be released over the contract period.

| GROUP                  | Sugar Industry<br>Voluntary<br>Retirement<br>Scheme | Premium<br>on leasehold<br>land | Others       | Total        |
|------------------------|---|---------------------------------|--------------|--------------|
| In Rs million          |   |                                 |              |              |
| <b>Cost</b>            |   |                                 |              |              |
| At 1 July 2015         | 50.4  | 29.9                            | 190.3        | 270.6        |
| Exchange differences   | -   | -                               | 2.1          | 2.1          |
| Transfers              | -   | -                               | 58.9         | 58.9         |
| <b>At 30 June 2016</b> | <b>50.4</b>   | <b>29.9</b>                     | <b>251.3</b> | <b>331.6</b> |
| <b>Amortisation</b>    |   |                                 |              |              |
| At 1 July 2015         | 50.4  | 9.8                             | 113.4        | 173.6        |
| Charge for the year    | -   | 0.2                             | -            | 0.2          |
| Exchange differences   | -   | -                               | 0.7          | 0.7          |
| Transfers              | -   | 0.8                             | 6.1          | 6.9          |
| <b>At 30 June 2016</b> | <b>50.4</b>   | <b>10.8</b>                     | <b>120.2</b> | <b>181.4</b> |
| <b>Carrying value</b>  |   |                                 |              |              |
| <b>At 30 June 2016</b> | -   | 19.1                            | 131.1        | 150.2        |
| <b>At 30 June 2015</b> | -   | 20.1                            | 76.9         | 97.0         |



## ASSETS

### EXPLANATORY NOTES

30 June 2016

#### 19. INVENTORIES

##### Accounting policy

Inventories are valued at lower of cost and net realisable value.

Cost is determined at the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes interest expenses.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

| <b>GROUP</b>                                 |              |              |
|--|--------------|--------------|
| In Rs million                                | 2016         | 2015         |
| Raw Materials and consumables                | 86.5         | 49.0         |
| Goods for resale                             | 194.3        | 135.5        |
| Work in progress                             | 8.1          | 27.5         |
| <b>Total inventories</b>                     | <b>288.9</b> | <b>212.0</b> |
| <b>Carrying value of inventories pledged</b> | <b>288.9</b> | <b>212.0</b> |
| Value of inventories at cost                 | 288.9        | 212.0        |

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

#### 20. TRADE AND OTHER RECEIVABLES

##### Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

The Group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the Group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group upon lodging of a Bank Guarantee as a security document or on a strictly pre-paid (cleared funds) only basis.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. An impairment provision for 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 receivable. The amount of the provision is recognised in profit or loss.

Other debtors are reviewed on an ongoing basis and are written down to their recoverable amount when this amount is in excess of their carrying value.



## 20. TRADE AND OTHER RECEIVABLES (CONTD)

| In Rs million   | GROUP          |                | COMPANY      |              |
|---|----------------|----------------|--------------|--------------|
|   | 2016           | 2015           | 2016         | 2015         |
| Trade receivables   | 1,878.1        | 1,515.5        | 7.5          | 4.2          |
| Less impairment   | (197.1)        | (109.0)        | (3.6)        | (3.8)        |
| <b>Carrying value of trade receivables</b>  | <b>1,681.0</b> | <b>1,406.5</b> | <b>3.9</b>   | <b>0.4</b>   |
| Prepayments   | 120.8          | 92.2           | 1.5          | 2.0          |
| Receivable from associated companies  | 19.5           | 22.4           | 3.8          | 2.1          |
| Other receivables   | 1,285.1        | 776.1          | 113.9        | 11.6         |
| <b>Total trade and other receivables</b>  | <b>3,106.4</b> | <b>2,297.2</b> | <b>123.1</b> | <b>16.1</b>  |
| The carrying amount of the receivables is considered as a reasonable approximation of fair value. |                |                |              |              |
| Ageing of trade receivables   |                |                |              |              |
| Less than 3 months  | 1,559.8        | 1,283.3        | 3.9          | -            |
| Impairment  | -              | -              | -            | -            |
| <b>Carrying value of trade receivables less than 3 months</b>                                     | <b>1,559.8</b> | <b>1,283.3</b> | <b>3.9</b>   | <b>-</b>     |
| More than 3 months  | 85.1           | 66.8           | -            | 0.4          |
| Impairment  | (5.1)          | -              | -            | -            |
| <b>Carrying value of trade receivables more than 3 months</b>                                     | <b>80.0</b>    | <b>66.8</b>    | <b>-</b>     | <b>0.4</b>   |
| More than 6 months  | 233.2          | 165.4          | 3.6          | 3.8          |
| Impairment  | (192.0)        | (109.0)        | (3.6)        | (3.8)        |
| <b>Carrying value of trade receivables more than 6 months</b>                                     | <b>41.2</b>    | <b>56.4</b>    | <b>-</b>     | <b>-</b>     |
| <b>Carrying value of trade receivables</b>  | <b>1,681.0</b> | <b>1,406.5</b> | <b>3.9</b>   | <b>0.4</b>   |
| Impairment of trade receivables   |                |                |              |              |
| At 1 July   | (109.0)        | (108.3)        | (3.8)        | (3.8)        |
| Provision made during the year  | (42.5)         | (6.6)          | -            | -            |
| Written off during the year   | (32.0)         | -              | -            | -            |
| Release of provision  | 26.9           | -              | 0.2          | -            |
| Acquisition of subsidiaries   | (40.5)         | -              | -            | -            |
| Deconsolidation of group companies  | -              | 5.9            | -            | -            |
| <b>At 30 June</b>   | <b>(197.1)</b> | <b>(109.0)</b> | <b>(3.6)</b> | <b>(3.8)</b> |

## 21. AMOUNTS RECEIVABLE FROM GROUP COMPANIES

| In Rs million               | GROUP    |          | COMPANY      |              |
|-----------------------------|----------|----------|--------------|--------------|
|                             | 2016     | 2015     | 2016         | 2015         |
| <b>Subsidiary companies</b> | <b>-</b> | <b>-</b> | <b>395.9</b> | <b>636.4</b> |

# CAPITAL STRUCTURE

## EXPLANATORY NOTES

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### 22. SHARE CAPITAL AND RESERVES

#### Accounting policy

##### Share Capital

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

##### Capital reserves

The capital reserves include movement in reserves resulting from statutory obligations

##### Revaluation reserves

The revaluation reserves comprise the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired and the gains / losses arising on revaluation of properties.

##### Translation reserves

The foreign currency translation reserves record the foreign currency differences arising from the translation of the financial statements of foreign operations. The effective portion of the cumulative net change in fair value of hedging instruments related to cash flow hedged transactions that have not yet occurred are recorded in translation reserves.

| COMPANY<br>In Rs million  | Issued and Fully Paid |                |
|---|-----------------------|----------------|
|   | 2016                  | 2015           |
| Authorised<br><b>At 30 June</b>                                     | 1,260.2               | 1,260.2        |
| Issued and fully paid   |                       |                |
| At 1 July   | 1,260.2               | 252.0          |
| Issue of bonus shares (201,636,240 ordinary shares of no par value) | -                     | 1,008.2        |
| <b>At 30 June</b>   | <b>1,260.2</b>        | <b>1,260.2</b> |

At a special meeting of the Company held on 01 December 2014, the shareholders approved that:

- each ordinary share be split into two;
- a sum of Rs 1,008,181,200 representing the capital reserves and part of the retained earnings of the Company, be capitalised and used for the distribution, by way of a bonus issue of 201,636,240 ordinary shares, free of charge and ranking pari passu with the existing shares of the Company;
- the Bonus shares be allotted and distributed in the proportion of four new ordinary shares for every one ordinary share;
- following the Share Split and the Bonus Issue, the share capital of the Company shall amount to Rs 1,260,226,500 made up of 252,045,300 ordinary shares.



## 23. NON-CONTROLLING INTERESTS

### Accounting policy

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

- (a) Substantial Non-Controlling Interests (NCI) are in:

| GROUP                                |                            | 2016          | 2015   |
|--------------------------------------|----------------------------|---------------|--------|
| Name of entity                       | Segment                    | NCI % holding |        |
| Rogers Capital Ltd (RC)              | Financial Services         | 40.00%        | 40.00% |
| VLH Holding Ltd (VLH)                | Hotels                     | 23.99%        | 23.99% |
| Logistics Holding Co Ltd (LHL)       | Logistics                  | 33.77%        | 33.33% |
| Ascencia Ltd (Ascencia)              | Property                   | 59.55%        | 57.73% |
| Cie Sucrière de Bel Ombre Ltd (CSBO) | Real Estate & Agribusiness | 62.74%        | 62.74% |

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30 June 2016

### 23. NON-CONTROLLING INTERESTS (CONTD)

(b) Summarised financial information before intra-group elimination:

| <b>GROUP</b>  |               |               |              |                |                |
|---|---------------|---------------|--------------|----------------|----------------|
| In Rs million   | RC            | VLH           | LHL          | Ascencia       | CSBO           |
| <b>30 June 2016</b>   |               |               |              |                |                |
| Statements of Profit or Loss and Other Comprehensive Income |               |               |              |                |                |
| <b>Revenue</b>  | 354.2         | 2,240.4       | 3,824.4      | 1,174.8        | 724.0          |
| Profit (loss) for the year                                  | 36.5          | 177.2         | 99.9         | 713.5          | (79.3)         |
| Other comprehensive income for the year                     | 0.5           | 9.4           | (3.3)        | -              | 13.3           |
| <b>Total comprehensive income for the year</b>              | <b>37.0</b>   | <b>186.6</b>  | <b>96.6</b>  | <b>713.5</b>   | <b>(66.0)</b>  |
| Profit (loss) attributable to NCI                           | 25.1          | 45.0          | 50.5         | 417.8          | (57.6)         |
| Other comprehensive income attributable to NCI              | 0.3           | 2.3           | (0.9)        | -              | 10.3           |
| <b>Total comprehensive income attributable to NCI</b>       | <b>25.4</b>   | <b>47.3</b>   | <b>49.6</b>  | <b>417.8</b>   | <b>(47.3)</b>  |
| <b>Dividends paid to NCI</b>                                | <b>27.0</b>   | <b>18.5</b>   | <b>27.9</b>  | <b>82.4</b>    | <b>35.6</b>    |
| Non current assets  | 385.0         | 5,489.7       | 3,252.7      | 12,777.0       | 5,092.7        |
| Current assets  | 188.0         | 3,518.8       | 1,971.9      | 593.0          | 615.4          |
| Non current liabilities                                     | 158.4         | 988.0         | 1,125.6      | 4,401.6        | 409.7          |
| Current liabilities   | 231.6         | 3,598.1       | 1,517.8      | 667.7          | 675.7          |
| <b>Accumulated NCI</b>                                      | <b>(78.9)</b> | <b>660.9</b>  | <b>365.7</b> | <b>1,168.5</b> | <b>2,173.2</b> |
| Statements of Cash Flows                                    |               |               |              |                |                |
| Net cash flow from (used in) operating activities           | 100.8         | 368.0         | 50.1         | 363.8          | (80.8)         |
| Net cash flow used in investing activities                  | (2.3)         | (312.3)       | (472.7)      | (1,867.8)      | (25.8)         |
| Net cash flow (used in) from financing activities           | (69.8)        | (66.3)        | 509.9        | 1,647.0        | (65.3)         |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>28.7</b>   | <b>(10.6)</b> | <b>87.3</b>  | <b>143.0</b>   | <b>(171.9)</b> |



### 23. NON-CONTROLLING INTERESTS (CONTD)

(b) Summarised financial information before intra-group elimination (contd):

| GROUP   |               |              |               |                |                |
|---|---------------|--------------|---------------|----------------|----------------|
| In Rs million   | RC            | VLH          | LHL           | Ascencia       | CSBO           |
| <b>30 June 2015</b>   |               |              |               |                |                |
| Statements of Profit or Loss and Other Comprehensive Income |               |              |               |                |                |
| <b>Revenue</b>  | 156.5         | 1,860.0      | 3,406.2       | 417.6          | 1,124.6        |
| Profit for the year   | 29.9          | 75.6         | 70.0          | 528.4          | 161.7          |
| Other comprehensive income for the year                     | -             | 0.8          | 4.7           | -              | 88.0           |
| <b>Total comprehensive income for the year</b>              | <b>29.9</b>   | <b>76.4</b>  | <b>74.7</b>   | <b>528.4</b>   | <b>249.7</b>   |
| Profit attributable to NCI                                  | 19.5          | 19.7         | 35.0          | 300.3          | 130.5          |
| Other comprehensive income attributable to NCI              | -             | 0.2          | 3.2           | -              | 69.6           |
| <b>Total comprehensive income attributable to NCI</b>       | <b>19.5</b>   | <b>19.9</b>  | <b>38.2</b>   | <b>300.3</b>   | <b>200.1</b>   |
| <b>Dividends paid to NCI</b>                                | <b>4.6</b>    | <b>4.0</b>   | <b>23.0</b>   | <b>43.9</b>    | <b>36.5</b>    |
| Statements of Financial Position                            |               |              |               |                |                |
| Non current assets  | 327.6         | 5,487.5      | 2,712.2       | 4,730.2        | 5,030.4        |
| Current assets  | 140.2         | 3,297.1      | 1,612.5       | 199.8          | 643.8          |
| Non current liabilities                                     | 7.9           | 1,254.8      | 747.4         | 1,040.1        | 359.8          |
| Current liabilities   | 373.1         | 3,222.0      | 1,342.1       | 267.9          | 556.0          |
| <b>Accumulated NCI</b>                                      | <b>(80.8)</b> | <b>632.1</b> | <b>315.4</b>  | <b>2,091.0</b> | <b>2,173.2</b> |
| Statements of Cash Flows                                    |               |              |               |                |                |
| Net cash flow from operating activities                     | 41.6          | 231.1        | 113.2         | 10.3           | 171.8          |
| Net cash flow (used in) from investing activities           | (260.3)       | (1,204.4)    | (207.8)       | (12.3)         | 2.2            |
| Net cash flow from (used in) financing activities           | 254.2         | 965.5        | (2.8)         | 3.5            | 38.1           |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>35.5</b>   | <b>(7.8)</b> | <b>(97.4)</b> | <b>1.5</b>     | <b>212.1</b>   |

## EXPLANATORY NOTES

30 June 2016

### 24. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL

During the year the Group effected the following changes in proportion of effective ownership interests in subsidiaries that do not result in a loss of control. The net impact of these changes in shareholding resulted in an increase of Rs 6m in retained earnings and an increase of Rs 11m in non-controlling interests.

| Name of entity                                      | From % | To %  |
|---|--------|-------|
| <b>AVIATION</b>                                     |        |       |
| Resaplanet Ltd                                      | 90.0   | 80.5  |
| Travelia S.A.R.L                                    | 90.0   | 80.5  |
| <b>FINANCIAL SERVICES</b>                           |        |       |
| Acorn International Limited                         | 42.0   | 42.6  |
| City Executives Limited                             | 42.0   | 42.6  |
| Denning Ltd   | 45.6   | 42.6  |
| Kross Border Corporate Services Ltd                 | 42.0   | 42.6  |
| Kross Border Financial Services Ltd                 | 42.0   | 42.6  |
| Kross Border Financial Services - Nominee Ltd       | 42.0   | 42.6  |
| Kross Border Holdings Limited                       | 42.0   | 42.6  |
| Tabla Ltd   | 45.6   | 42.6  |
| <b>LOGISTICS</b>                                    |        |       |
| Associated Container Services Ltd                   | 65.7   | 66.7  |
| Cargo Express Madagascar S.A.R.L.                   | 66.7   | 66.2  |
| Velogic Haulage Services Ltd                        | 52.6   | 53.4  |
| FOM Warehouse Ltd                                   | 49.7   | 83.0  |
| Freeport Operations (Mtius) Ltd                     | 65.7   | 65.3  |
| Logistics Solution Ltd                              | 65.7   | 66.7  |
| MTL Logistics and Distribution Co Ltd               | 65.7   | 66.7  |
| P.A.P.O.L.C.S. Ltd                                  | 32.0   | 31.8  |
| Papol Holding Limited                               | 40.0   | 39.7  |
| Rogers International Distribution Services Limitada | 66.7   | 66.2  |
| Rogers International Distribution Services S.A.     | 66.7   | 66.2  |
| Rogers International Distribution Services S.A.R.L. | 66.7   | 66.2  |
| Rogers Logistics International Ltd                  | 66.7   | 66.2  |
| Rogers Logistics Services Company Ltd               | 66.7   | 66.2  |
| Rogers Shipping Ltd                                 | 45.8   | 45.5  |
| Rogers Shipping Pte Ltd                             | 34.0   | 33.8  |
| Société du Port                                     | 48.4   | 100.0 |
| Southern Marine & Co Ltd                            | 45.8   | 45.5  |
| Sukpak Ltd  | 46.7   | 46.4  |
| Transworld International Ltd                        | 66.7   | 66.2  |
| Velogic Depot and Warehouse Ltd                     | 66.7   | 66.2  |
| Velogic Garage Services Ltd                         | 52.6   | 53.4  |
| Velogic India Private Ltd                           | 66.7   | 66.2  |
| Velogic Holding Company Ltd                         | 66.7   | 66.2  |
| Velogic Sea Frigo R'Frigo S.A.                      | 66.7   | 66.2  |
| Velogic Ltd   | 66.7   | 66.2  |
| <b>PROPERTY</b>                                     |        |       |
| Ascencia Limited                                    | 42.3   | 40.5  |
| Bagaprop Limited                                    | 34.6   | 34.4  |
| Gardens of Bagatelle Ltd                            | 40.8   | 40.5  |



## 25. DIVIDENDS

| <b>COMPANY</b>   |              |              |
|--|--------------|--------------|
| In Rs million  | 2016         | 2015         |
| Declared and paid  |              |              |
| Interim dividend of Rs 0.32 per ordinary share (2015: Rs 0.30) | 80.7         | 75.6         |
| Declared and payable   |              |              |
| Final dividend of Rs 0.56 per ordinary share (2015: Rs 0.54)   | 141.1        | 136.1        |
| <b>Total dividends</b>   | <b>221.8</b> | <b>211.7</b> |

A final dividend of Rs 0.56 per share was declared on 21 June 2016 and paid on 29 July 2016. An amount of Rs 141.1m has been included in current liabilities at 30 June 2016.



# LIABILITIES

## EXPLANATORY NOTES

30 June 2016

### 26. BORROWINGS

#### Accounting policy

Borrowings are recognised initially at fair value and subsequently measured at amortised cost. Transaction costs incurred are included for those not held at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

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

| In Rs million                          | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016           | 2015           | 2016           | 2015           |
| (a) Non-current                        |                |                |                |                |
| Bank borrowings - Secured (note b)     | 4,639.1        | 1,580.3        | 50.0           | 70.0           |
| - Unsecured                            | 338.4          | 13.3           | -              | -              |
| Secured floating rate notes (note d)   | 1,500.0        | 1,500.0        | 1,500.0        | 1,500.0        |
| Convertible preference shares (note e) | 183.9          | -              | -              | -              |
| Debentures (note f)                    | 154.8          | -              | -              | -              |
| Loans from subsidiary companies        | -              | -              | 14.0           | 14.0           |
| Loans from other companies             | 304.1          | 304.1          | 304.1          | 304.1          |
| Finance lease obligations (note g)     | 87.8           | 85.2           | 0.8            | 1.3            |
| <b>Total non-current borrowings</b>    | <b>7,208.1</b> | <b>3,482.9</b> | <b>1,868.9</b> | <b>1,889.4</b> |
| Current                                |                |                |                |                |
| Bank overdrafts                        | 327.6          | 226.4          | 0.2            | 105.4          |
| Bank borrowings (note b)               | 1,149.8        | 518.8          | 960.0          | 445.0          |
| Loans from subsidiary companies        | -              | -              | 39.0           | 19.5           |
| Loans from other companies             | 73.8           | 57.1           | 73.9           | 57.1           |
| Finance lease obligations (note g)     | 43.4           | 33.9           | 0.5            | 0.5            |
| <b>Total current borrowings</b>        | <b>1,594.6</b> | <b>836.2</b>   | <b>1,073.6</b> | <b>627.5</b>   |
| <b>Total borrowings</b>                | <b>8,802.7</b> | <b>4,319.1</b> | <b>2,942.5</b> | <b>2,516.9</b> |

- (b) These loans are secured by fixed and floating charges on the assets of the borrowing companies. The carrying amount of long term loans approximate their fair values and the rates of interest vary between 3.0 % and 8.0 %. (2015: 2.0% and 9.0%).

The carrying amounts of borrowings are not materially different from their fair values, which are based on cash flows discounted using the borrowings rate and are within level 2 of the fair value hierarchy.



## 26. BORROWINGS (CONTD)

| In Rs million  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016           | 2015           | 2016           | 2015           |
| (c) Repayable otherwise than by instalments                          |                |                |                |                |
| After one year and before two years                                  | 306.0          | -              | 300.0          | -              |
| After two years and before five years                                | 4.1            | 304.1          | 18.1           | 318.1          |
| Secured floating rate notes  | 500.0          | -              | 500.0          | -              |
| After five years   |                |                |                |                |
| Secured floating rate notes  | 1,000.0        | 1,500.0        | 1,000.0        | 1,500.0        |
| Repayable by instalments   |                |                |                |                |
| After one year and before two years                                  | 593.5          | 203.7          | -              | -              |
| After two years and before five years                                | 1,339.5        | 632.9          | 50.0           | 70.0           |
| After five years   | 3,191.3        | 757.0          | -              | -              |
| <b>Total non-current borrowings net of finance lease obligations</b> | <b>6,934.4</b> | <b>3,397.7</b> | <b>1,868.1</b> | <b>1,888.1</b> |

### (d) Secured floating rate notes

On 16 March 2015, the Company issued 30,000 secured floating rate notes on private placement as follows:

| Note description                              | Maturity      | Interest rate                                     |
|---|---------------|---|
| Tranche A (10,000 notes at Rs50,000 per note) | 16 March 2021 | Reference Bank of Mauritius repo rate + 1.35% p.a |
| Tranche B (10,000 notes at Rs50,000 per note) | 16 March 2023 | Reference Bank of Mauritius repo rate + 1.85% p.a |
| Tranche C (10,000 notes at Rs50,000 per note) | 16 March 2025 | Reference Bank of Mauritius repo rate + 2.35% p.a |

These notes are secured by a floating charge over all the assets of the Company and the subsidiaries being financed.

## LIABILITIES

# EXPLANATORY NOTES

30 June 2016

### 26. BORROWINGS (CONTD)

#### (e) Convertible preference shares to non-group entities

Ascencia Ltd, a subsidiary company issued 13,934,489 convertible non-voting preference shares at an issue price of Rs 13.20 each, totalling Rs 183.9m. The main purpose of this issue was to raise funds to :

- (i) acquire additional holding of 34.90% in Bagaprop Ltd, the holding entity of Bagatelle Mall of Mauritius.
- (ii) acquire a 100% holding in Gardens of Bagatelle, the holding entity of Bagatelle Office Park.
- (iii) settle transaction costs associated with the above acquisitions and private placement.

On 30 June 2016, preference shares have been converted to Class A ordinary shares for an amount of Rs 71.5m.

Sailent features of the convertible preference shares are as follows:

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

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

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

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

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

#### (f) Debentures to non group entities

During the year under review, Ascencia Ltd, a subsidiary company issued 12,902,306 redeemable bonds at an issue price of Rs 12.00 each, totalling Rs 154.8m.

Sailent features of the debentures are as follows:

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

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

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



## 26. BORROWINGS (CONTD)

| In Rs million                                      | GROUP        |              | COMPANY    |            |
|--|--------------|--------------|------------|------------|
|  | 2016         | 2015         | 2016       | 2015       |
| (g) Finance lease obligations                      |              |              |            |            |
| Within one year                                    | 42.3         | 41.2         | 0.5        | 0.5        |
| After one year and before two years                | 41.3         | 34.1         | 0.8        | 0.5        |
| After two years and before five years              | 54.7         | 46.5         | -          | 0.8        |
| After five years                                   | 6.0          | 5.9          | -          | -          |
| Finance lease liabilities - minimum lease payments | 144.3        | 127.7        | 1.3        | 1.8        |
| Future finance charges                             | (13.1)       | (8.6)        | -          | -          |
| <b>Present value of finance lease obligations</b>  | <b>131.2</b> | <b>119.1</b> | <b>1.3</b> | <b>1.8</b> |
| Within one year                                    | 43.4         | 33.9         | 0.5        | 0.5        |
| After one year and before two years                | 38.0         | 36.1         | 0.8        | 0.5        |
| After two years and before five years              | 43.9         | 44.1         | -          | 0.8        |
| After five years                                   | 5.9          | 5.0          | -          | -          |
| <b>Present value of finance lease obligations</b>  | <b>131.2</b> | <b>119.1</b> | <b>1.3</b> | <b>1.8</b> |

Finance lease arrangement includes contract for the leasing of motor vehicles and equipment. At the expiry of the lease period, the lessee may purchase the equipment upon payment of the residual value. The lessor will have recourse to repossession of the asset upon default. No other restriction is stipulated.

## LIABILITIES

### EXPLANATORY NOTES

30 June 2016

#### 27. DEFERRED TAX LIABILITIES

##### Accounting policy

##### Deferred tax

Deferred tax liabilities are provided in respect of taxable temporary differences, using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets arising from unused tax losses are recognised only to the extent that realisation of the related tax benefit is probable.

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

##### Significant accounting judgements and estimates

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

| <b>GROUP</b>  |  |              |              |
|---------------|--|--------------|--------------|
| In Rs million |  | 2016         | 2015         |
| (a)           | At 1 July                              | 240.2        | 215.4        |
|               | Charged to Statement of Profit or Loss | 64.8         | 19.0         |
|               | Acquisition of group companies         | 63.9         | 5.8          |
|               | <b>At 30 June</b>                      | <b>368.9</b> | <b>240.2</b> |

(b) The movement in deferred tax liabilities during the year is as follows:

| <b>GROUP</b>                                      | Accelerated<br>Capital<br>Allowance | Retirement<br>Benefit<br>Obligation | Impairment<br>Loss / Fair Value | Total        |
|---|-------------------------------------|-------------------------------------|---------------------------------|--------------|
| In Rs million                                     |                                     |                                     |                                 |              |
| At 1 July 2014                                    | 186.6                               | (0.4)                               | 29.2                            | 215.4        |
| (Released) charged to Statement of Profit or Loss | (65.1)                              | (5.6)                               | 89.7                            | 19.0         |
| Acquisition of group companies                    | 5.8                                 | -                                   | -                               | 5.8          |
| <b>At 30 June 2015</b>                            | <b>127.3</b>                        | <b>(6.0)</b>                        | <b>118.9</b>                    | <b>240.2</b> |
| Charged to Statement of Profit or Loss            | 14.5                                | 1.8                                 | 48.5                            | 64.8         |
| Acquisition of group companies                    | 13.1                                | -                                   | 50.8                            | 63.9         |
| <b>At 30 June 2016</b>                            | <b>154.9</b>                        | <b>(4.2)</b>                        | <b>218.2</b>                    | <b>368.9</b> |



## 28. RETIREMENT BENEFIT OBLIGATIONS

### Accounting policy

#### Defined benefit pension plans and other retirement benefits

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

The present value of retirement benefit obligations is recognised in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets. The assessment of these obligations is carried out annually by an independent firm of consulting actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using rates on government bonds.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they occur. Remeasurements recognised in the Statement of Profit or Loss and Other Comprehensive Income shall not be reclassified to the Statement of Profit or Loss in subsequent year.

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

Service costs comprising current service cost, past service cost as well as gains and losses on curtailments and settlements are recognised immediately in the Statement of Profit or Loss.

#### State plan and defined contribution pension plans

Contributions to the National Pension Scheme and the Group's defined contribution pension plan are expensed to the Statement of Profit or Loss in the year in which they fall due.

#### Gratuity on retirement

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

### Significant accounting judgements and estimates

The present value of retirement benefit obligations is recognised in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost. The assessment of these obligations is carried out annually by an independent firm of consulting actuaries. The actuarial valuation involves making assumptions on discount rates, future pension increases, mortality rates, salary increases and expected rates of return on plan assets.

## LIABILITIES

### EXPLANATORY NOTES

30 June 2016

#### 28. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

| In Rs million  | GROUP        |              | COMPANY     |            |
|--|--------------|--------------|-------------|------------|
|  | 2016         | 2015         | 2016        | 2015       |
| Amounts recognised in the Statements of Financial Position |              |              |             |            |
| Pension plan (note a)                                      | 18.4         | (9.1)        | (28.5)      | (51.6)     |
| Other retirement benefits (note b)                         | 162.5        | 175.8        | 53.6        | 56.2       |
| <b>Total retirement benefit obligations</b>                | <b>180.9</b> | <b>166.7</b> | <b>25.1</b> | <b>4.6</b> |

(a) Pension plan

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

In addition to the above, three companies have defined benefit plans which are funded and where the plan assets are held by The Swan Life Ltd and The Sugar Industry Pension Fund.

| In Rs million   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016           | 2015           | 2016           | 2015           |
| Amounts recognised in the Statement of Financial Position                       |                |                |                |                |
| Present value of funded obligations   | 1,353.5        | 1,574.6        | 1,170.3        | 1,386.7        |
| Fair value of plan assets   | (1,444.2)      | (1,583.7)      | (1,293.3)      | (1,438.3)      |
| Excess of fair value of planned assets over present value of funded obligations | (90.7)         | (9.1)          | (123.0)        | (51.6)         |
| Impact of minimum funding requirement / asset ceiling                           | 109.1          | -              | 94.5           | -              |
| <b>Liability (assets) in the Statements of Financial Position</b>               | <b>18.4</b>    | <b>(9.1)</b>   | <b>(28.5)</b>  | <b>(51.6)</b>  |
| Reconciliation of net defined benefit liability/(asset)                         |                |                |                |                |
| At 1 July   | (9.1)          | (19.2)         | (51.6)         | (51.9)         |
| Amount recognised in Profit or Loss   | 11.0           | 9.1            | 0.1            | 1.1            |
| Amount recognised in Other Comprehensive Income                                 | 39.1           | 5.2            | 23.2           | (0.5)          |
| Less employer contributions   | (9.0)          | (8.1)          | (0.2)          | (0.3)          |
| Acquisition of subsidiaries   | -              | 3.9            | -              | -              |
| <b>At 30 June</b>   | <b>32.0</b>    | <b>(9.1)</b>   | <b>(28.5)</b>  | <b>(51.6)</b>  |
| Reconciliation of fair value of plan assets                                     |                |                |                |                |
| At 1 July   | 1,583.7        | 1,439.6        | 1,438.3        | 1,377.9        |
| Interest income   | 112.8          | 114.2          | 94.8           | 103.5          |
| Employer contributions  | 9.0            | 8.1            | 0.2            | 0.3            |
| Employee contributions  | 0.9            | 0.6            | -              | -              |
| Benefits paid   | (186.3)        | (121.0)        | (172.1)        | (171.4)        |
| Return on plan assets excluding interest income                                 | (75.9)         | 123.6          | (67.9)         | 128.0          |
| Acquisition of subsidiaries   | -              | 18.6           | -              | -              |
| <b>At 30 June</b>   | <b>1,444.2</b> | <b>1,583.7</b> | <b>1,293.3</b> | <b>1,438.3</b> |



## 28. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

| In Rs million  | GROUP          |                | COMPANY        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2016           | 2015           | 2016           | 2015           |
| Reconciliation of present value of defined benefit obligation  |                |                |                |                |
| At 1 July  | 1,574.6        | 1,420.4        | 1,386.7        | 1,326.0        |
| Current service cost   | 12.0           | 10.7           | 3.7            | 5.2            |
| Employee contributions   | 0.9            | 0.6            | -              | -              |
| Interest expense   | 98.2           | 112.6          | 91.2           | 99.4           |
| (Other benefits paid)  | (186.3)        | (121.0)        | (172.1)        | (171.4)        |
| Liability experience (gain) loss                               | (130.8)        | 77.5           | (128.8)        | 82.7           |
| Liability (gain) loss due to change in demographic assumptions | (0.9)          | 1.1            | -              | -              |
| Liability (gain) loss due to change in financial assumptions   | (14.2)         | 50.2           | (10.4)         | 44.8           |
| Acquisition of subsidiaries                                    | -              | 22.5           | -              | -              |
| <b>At 30 June</b>  | <b>1,353.5</b> | <b>1,574.6</b> | <b>1,170.3</b> | <b>1,386.7</b> |
| Reconciliation of the effect of the asset ceiling              |                |                |                |                |
| At 1 July  | -              | -              | -              | -              |
| Amount recognised in Other Comprehensive Income                | 109.1          | -              | 94.5           | -              |
| <b>At 30 June</b>  | <b>109.1</b>   | <b>-</b>       | <b>94.5</b>    | <b>-</b>       |
| Components of amount recognised in Profit and Loss             |                |                |                |                |
| Current service cost   | 12.0           | 10.7           | 3.7            | 5.2            |
| Net interest on net defined benefit liability (asset)          | (1.0)          | (1.6)          | (3.6)          | (4.1)          |
| <b>Amounts recognised in Profit or Loss</b>                    | <b>11.0</b>    | <b>9.1</b>     | <b>0.1</b>     | <b>1.1</b>     |
| Components of amount recognised in Other Comprehensive Income  |                |                |                |                |
| Return on plan assets excluding interest income                | 75.9           | (123.6)        | 67.9           | (128.0)        |
| Liability experience (gain) loss                               | (130.8)        | 77.5           | (128.8)        | 82.7           |
| Liability (gain) loss due to change in demographic assumptions | (0.9)          | 1.1            | -              | -              |
| Liability (gain) loss due to change in financial assumptions   | (14.2)         | 50.2           | (10.4)         | 44.8           |
| Change in effect of asset ceiling                              | 109.1          | -              | 94.5           | -              |
| <b>Amounts recognised in Other Comprehensive Income</b>        | <b>39.1</b>    | <b>5.2</b>     | <b>23.2</b>    | <b>(0.5)</b>   |



## LIABILITIES

# EXPLANATORY NOTES

30 June 2016

### 28. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

| In Rs million   | GROUP        |              | COMPANY    |            |
|---|--------------|--------------|------------|------------|
|   | 2016         | 2015         | 2016       | 2015       |
| Allocation of Plan assets at End of Year (%)                        |              |              |            |            |
| Equity - Overseas quoted  | 18 - 29      | 18 - 29      | 29         | 29         |
| Equity - Overseas unquoted  | 0 - 2        | 0 - 2        | -          | -          |
| Equity - Local quoted   | 29 - 39      | 29 - 36      | 39         | 36         |
| Debt - Overseas quoted  | 0 - 7        | 1 - 7        | -          | 1          |
| Debt - Local unquoted   | 21 - 24      | 21 - 27      | 24         | 27         |
| Property - Overseas   | 0 - 2        | 0 - 2        | -          | -          |
| Property - Local  | 2 - 21       | 2 - 21       | 2          | 2          |
| Cash and other  | 0 - 6        | 0 - 5        | 6          | 5          |
| Allocation of Plan Assets at End of Period                          |              |              |            |            |
| - Reporting entity's own transferable financial instruments         | 0 - 2        | 0 - 2        | 2          | 2          |
| - Property occupied by reporting entity                             | -            | -            | -          | -          |
| - Other assets used by reporting entity                             | -            | -            | -          | -          |
| Principal Assumptions used at End of Period                         |              |              |            |            |
| Discount rate   | 7.5%         | 7.0%         | 7.5%       | 7.0%       |
| Rate of salary increases  | 5.0 - 6.5%   | 5.5 - 6.0%   | 6.0%       | 6.0%       |
| Rate of Pension increases   | 1.5%         | 1.0%         | 1.5%       | 1.0%       |
| Rate of medical cost increases                                      |              |              |            |            |
| Average retirement age (ARA)  | 60 years     | 60 years     | 60 years   | 60 years   |
| Average life expectancy for:  |              |              |            |            |
| - Male  | 19.5 years   | 19.5 years   | 19.5 years | 19.5 years |
| - Female  | 24.2 years   | 24.2 years   | 24.2 years | 24.2 years |
| Sensitivity Analysis on Defined Benefit Obligation at End of Period |              |              |            |            |
| Increase due to 1% decrease in discount rate                        | 140.6        | 141.7        | 125.5      | 124.9      |
| Decrease due to 1% increase in discount rate                        | 113.7        | 115.0        | 102.4      | 102.3      |
| Expected employer contribution for the next year                    | 10.5         | 8.6          | 0.2        | 0.3        |
| Weighted average duration of the defined benefit obligation         | 9 - 12 years | 8 - 12 years | 10 years   | 9 years    |

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligations.

The Sensitivity analysis may not be representative of the actual change in the defined contribution 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 defined contribution pension plan exposes the Group to actual risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

#### Future cashflows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.



## 28. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

| In Rs million  | GROUP        |              | COMPANY     |             |
|--|--------------|--------------|-------------|-------------|
|  | 2016         | 2015         | 2016        | 2015        |
| Defined contribution plan  |              |              |             |             |
| <b>Contributions to Rogers Money Purchase Retirement Fund</b>  | 59.2         | 41.3         | 8.7         | 7.8         |
| (b) Other retirement benefits  |              |              |             |             |
| Other retirement benefits comprise of retirement gratuity and unfunded pensions paid to ex-employees of the Group. |              |              |             |             |
| At 1 July  | 175.8        | 172.3        | 56.2        | 57.1        |
| Amount recognised in Profit or Loss  | 30.7         | 20.5         | 4.8         | 6.0         |
| Amount recognised in Other Comprehensive Income  | (32.9)       | (8.4)        | (1.4)       | (1.0)       |
| Less Employer contributions  | (11.1)       | (8.6)        | (6.0)       | (5.9)       |
| Acquisition of subsidiaries  | -            | 6.4          | -           | -           |
| Disposal of subsidiaries   | -            | (6.4)        | -           | -           |
| <b>At 30 June</b>  | <b>162.5</b> | <b>175.8</b> | <b>53.6</b> | <b>56.2</b> |
| Reconciliation of present value of defined benefit obligation  |              |              |             |             |
| At 1 July  | 175.8        | 172.3        | 56.2        | 57.1        |
| Current service cost   | 16.7         | 9.7          | 1.1         | 1.1         |
| Interest expense   | 12.2         | 13.5         | 3.7         | 4.3         |
| Past service cost  | 1.8          | (2.7)        | -           | 0.6         |
| Benefits paid on settlement  | (11.1)       | (8.6)        | (6.0)       | (5.9)       |
| Liability experience (gain) loss   | (6.0)        | (6.8)        | 1.8         | 1.0         |
| Liability gain due to change in demographic assumptions  | 18.8         | -            | (1.8)       | -           |
| Liability gain due to change in financial assumptions  | (8.1)        | (1.6)        | (1.4)       | (2.0)       |
| Acquisition of subsidiaries  | -            | 6.4          | -           | -           |
| Disposal of subsidiaries   | -            | (6.4)        | -           | -           |
| <b>At 30 June</b>  | <b>162.5</b> | <b>175.8</b> | <b>53.6</b> | <b>56.2</b> |

## LIABILITIES

### EXPLANATORY NOTES

30 June 2016

#### 28. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

| In Rs million   | GROUP         |              | COMPANY      |              |
|---|---------------|--------------|--------------|--------------|
|   | 2016          | 2015         | 2016         | 2015         |
| Components of amount recognised in Profit or Loss   |               |              |              |              |
| Current service cost  | 16.7          | 9.7          | 1.1          | 1.1          |
| Past service cost   | 1.8           | (2.7)        | -            | 0.6          |
| <b>Service cost</b>   | <b>18.5</b>   | <b>7.0</b>   | <b>1.1</b>   | <b>1.7</b>   |
| Net interest on net defined benefit liability   | 12.2          | 13.5         | 3.7          | 4.3          |
| <b>Amounts recognised in Profit or Loss</b>   | <b>30.7</b>   | <b>20.5</b>  | <b>4.8</b>   | <b>6.0</b>   |
| Components of amount recognised in Other Comprehensive Income   |               |              |              |              |
| Return on plan assets excluding interest income   |               |              |              |              |
| Liability experience (gain) loss  | (6.0)         | (6.8)        | 1.8          | 1.0          |
| Liability gain due to change in demographic assumptions   | (18.8)        | -            | (1.8)        | -            |
| Liability gain due to change in financial assumptions   | (8.1)         | (1.6)        | (1.4)        | (2.0)        |
| <b>Amounts recognised in Other Comprehensive Income</b>   | <b>(32.9)</b> | <b>(8.4)</b> | <b>(1.4)</b> | <b>(1.0)</b> |
| Principal Assumptions used at End of Period   |               |              |              |              |
| Discount rate   | 7.0%          | 7.0%         | 8.0%         | 7.0%         |
| Rate of salary increases  | 5.5 - 6.0%    | 5.5 - 6.0%   | 6.0%         | 6.0%         |
| Rate of Pension increases   | 0 - 5.0%      | 1.0 - 5.0%   | 2.0%         | 1.0%         |
| Average retirement age (ARA)  | 60 years      | 60 years     | 60 years     | 60 years     |
| Average life expectancy for:  |               |              |              |              |
| - Male at ARA   | 19.5 years    | 19.5 years   | 19.5 years   | 19.5 years   |
| - Female at ARA   | 24.2 years    | 24.2 years   | 24.2 years   | 24.2 years   |
| Sensitivity Analysis on Defined Benefit Obligation at End of Period   |               |              |              |              |
| - Increase due to 1% decrease in discount rate  | 25.2          | 41.2         | 4.3          | 5.1          |
| - Decrease due to 1% increase in discount rate  | 19.8          | 31.4         | 3.7          | 4.4          |
| The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation. |               |              |              |              |
| Future cashflows  |               |              |              |              |
| - Expected employer contribution for the next year  | 16.0          | 16.4         | 0.7          | 0.7          |
| - Weighted average duration of the defined benefit obligation   | 6 - 13 years  | 6 - 18 years | 13 years     | 15 years     |
| Retirement benefit obligations have been based on the report dated June 2016 submitted by Aon Hewitt Limited.   |               |              |              |              |
| (c) State pension plan  |               |              |              |              |
| National Pension Scheme contributions expensed  | 29.8          | 27.0         | 0.8          | 0.6          |



## 29. TRADE AND OTHER PAYABLES

### Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

| In Rs million                         | GROUP          |                | COMPANY      |              |
|---------------------------------------|----------------|----------------|--------------|--------------|
|                                       | 2016           | 2015           | 2016         | 2015         |
| Trade payables                        | 949.2          | 966.0          | 12.4         | 13.1         |
| Payable to associated companies       | 1.9            | 1.9            | -            | -            |
| Accruals                              | 755.8          | 526.8          | 71.4         | 56.2         |
| Other payables                        | 1,790.0        | 1,140.4        | 153.9        | 85.2         |
| <b>Total trade and other payables</b> | <b>3,496.9</b> | <b>2,635.1</b> | <b>237.7</b> | <b>154.5</b> |

The carrying amount of the payables is considered as a reasonable approximation of fair value.

## 30. PROVISIONS

### Accounting policy

Provisions are recognised when the Group has a present or constructive obligation as a result of past events and when it is probable that this obligation will result in an outflow of economic benefits that can be reasonably estimated. Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring which has been notified to affected parties and comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

| In Rs million     | GROUP      |             | COMPANY  |             |
|-------------------|------------|-------------|----------|-------------|
|                   | 2016       | 2015        | 2016     | 2015        |
| At 1 July         | 42.9       | 43.7        | 35.5     | 35.5        |
| Amounts used      | (35.5)     | (0.8)       | (35.5)   | -           |
| <b>At 30 June</b> | <b>7.4</b> | <b>42.9</b> | <b>-</b> | <b>35.5</b> |

The above relates to reorganisation costs in respect of planned restructuring in certain subsidiaries.

The carrying amount of the provisions is considered as a reasonable approximation of fair value.

## 31. AMOUNTS PAYABLE TO GROUP COMPANIES

| COMPANY              |       |       |
|----------------------|-------|-------|
| In Rs million        |       |       |
|                      | 2016  | 2015  |
| Subsidiary companies | 114.2 | 288.4 |

# CASH MANAGEMENT

## EXPLANATORY NOTES

30 June 2016

### 32. CASH AND CASH EQUIVALENTS

#### Accounting policy

Cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts.

| In Rs million   | GROUP        |              | COMPANY  |               |
|---|--------------|--------------|----------|---------------|
|   | 2016         | 2015         | 2016     | 2015          |
| Bank balances and cash  | 944.1        | 817.0        | 18.1     | 27.3          |
| Short term loans receivable and deposits  | -            | -            | 95.0     | 162.1         |
| Short term loans payable  | -            | -            | (112.9)  | (113.4)       |
| Bank overdrafts   | (327.6)      | (226.4)      | (0.2)    | (105.4)       |
| <b>Total cash and cash equivalents</b>  | <b>616.5</b> | <b>590.6</b> | <b>-</b> | <b>(29.4)</b> |
| <p>The bank overdrafts are secured by floating charges on the assets of the borrowing companies. The rate of interest varies between 6.25% and 19.75%, inclusive of foreign denominated overdrafts.</p> |              |              |          |               |
| Non cash transactions   | 21.0         | 39.4         | -        | -             |

Non cash transactions relate to the purchase of equipment and motor vehicles by means of finance leases.



### 33. CASH GENERATED FROM (ABSORBED BY) OPERATIONS

| In Rs million  | GROUP          |              | COMPANY        |                |
|--|----------------|--------------|----------------|----------------|
|  | 2016           | 2015         | 2016           | 2015           |
| Profit before taxation   | 1,018.9        | 1,158.3      | 117.0          | 42.0           |
| Share of results of jointly controlled entities  | 49.7           | (383.3)      | -              | -              |
| Share of results of associated companies   | (88.0)         | (238.0)      | -              | -              |
| Exceptional items  | (103.2)        | (76.4)       | 3.4            | (70.1)         |
| <b>Profit from operations</b>  | <b>877.4</b>   | <b>460.6</b> | <b>120.4</b>   | <b>(28.1)</b>  |
| Depreciation   | 306.6          | 274.7        | 10.1           | 10.6           |
| Amortisation   | 18.0           | 21.5         | 2.1            | 2.6            |
| Fair value adjustment  | (392.5)        | (152.1)      | -              | -              |
| Profit on sale of property, plant and equipment and investment properties                      | (9.6)          | (9.4)        | -              | (0.1)          |
| Profit on sale of intangibles  | -              | (0.1)        | -              | -              |
| Profit on disposal of financial assets   | (0.1)          | -            | -              | -              |
| Investment income  | (24.2)         | (12.8)       | (273.8)        | (162.6)        |
| Interest expense   | 543.5          | 287.7        | 173.6          | 93.1           |
| Interest income  | (21.1)         | (17.5)       | (83.5)         | (48.8)         |
| Retirement benefit obligations   | 7.4            | 12.9         | -              | (0.3)          |
| <b>Cash generated from (used in) operations before working capital charges</b>                 | <b>1,305.4</b> | <b>865.5</b> | <b>(51.1)</b>  | <b>(133.6)</b> |
| Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries) |                |              |                |                |
| Inventories  | (40.1)         | 30.8         | -              | -              |
| Trade and other receivables  | 39.9           | (806.1)      | (3.1)          | 4.4            |
| Trade and other payables   | (48.8)         | 905.5        | (200.8)        | 33.3           |
| <b>Cash generated from (absorbed by) operations</b>  | <b>1,256.4</b> | <b>995.7</b> | <b>(255.0)</b> | <b>(95.9)</b>  |

## EXPLANATORY NOTES

30 June 2016

### 34. ACQUISITION OF SUBSIDIARIES

(a) During the year, the Group made the following acquisitions:

- (i) Kross Border Corporate Services Ltd, a subsidiary company acquired a 100% holding in River Court Administrators Limited and its subsidiaries namely River Court Nominees Ltd and River Court Trustees Ltd.
- (ii) VK Logistics Ltd, a newly incorporated subsidiary, acquired 100% holding in General Cargo Services Limited and 80% holding in Gencargo (Transport) Limited.
- (iii) At 30 June 2015, Ascencia Limited, a subsidiary company, held 50.1% in Bagaprop Limited. On 01 July 2015, it acquired an additional holding of 34.9% in Bagaprop Limited to increase the Group's holding to 85%, thus obtaining control.
- (iv) Ascencia Limited, a subsidiary company, also acquired 100% holding in Gardens of Bagatelle Ltd.

| GROUP   | % Holding | Proportion of effective ownership interests | Principal activity |
|---|-----------|---|--------------------|
| <b>Financial Services</b>                           |           |   |                    |
| River Court Administrators Limited and subsidiaries | 100.0     | 42.6  | Global business    |
| <b>Logistics</b>                                    |           |   |                    |
| General Cargo Services Limited                      | 100.0     | 33.8  | Global business    |
| Gencargo (Transport) Limited                        | 80.0      | 27.0  | Global business    |
| <b>Property</b>                                     |           |   |                    |
| Bagaprop Limited                                    | 85.0      | 34.4  | Property           |
| Gardens of Bagatelle Ltd                            | 100.0     | 40.5  | Property           |

The fair value of assets acquired and liabilities assumed were as follows:

| In Rs million   |                |
|---|----------------|
| Property, plant and equipment                                       | 105.4          |
| Investment property   | 5,894.1        |
| Trade and other receivables   | 228.8          |
| Cash and cash equivalents   | 56.1           |
| Borrowings  | (2,294.5)      |
| Trade and other payables  | (223.1)        |
| Deferred tax liability  | (63.9)         |
|   | 3,702.9        |
| Excess of fair value of net assets over shares issued               | (62.5)         |
| Excess of fair value of net assets over consideration price         | (117.7)        |
|   | 3,522.7        |
| Fair value of equity interest before the business combination       | (1,510.7)      |
| Non-controlling interests not acquired                              | (458.1)        |
|   | 1,553.9        |
| Cash and cash equivalents acquired                                  | (56.1)         |
| <b>Cash outflow on acquisition net of cash and cash equivalents</b> | <b>1,497.8</b> |
| Satisfied by:   |                |
| Cash  | 1,553.9        |

The revenue and losses consolidated in the Group's Statement of Profit or Loss for the year ended 30 June 2016 amounted to Rs 905m and Rs 467m respectively.

# UNRECOGNISED ITEMS



## EXPLANATORY NOTES

30 June 2016

### 35. COMMITMENTS

| In Rs million   | GROUP |       | COMPANY |       |
|---|-------|-------|---------|-------|
|   | 2016  | 2015  | 2016    | 2015  |
| Capital commitments<br>Authorised by the Board of Directors             |       |       |         |       |
| <b>(i) but not contracted for</b>                                       | 811.3 | 258.6 | 122.3   | -     |
| <b>(ii) contracted for but not provided in the financial statements</b> | 30.2  | 382.8 | -       | 313.3 |

### 36. CONTINGENT LIABILITIES

| In Rs million                       | GROUP   |         | COMPANY |       |
|-------------------------------------|---------|---------|---------|-------|
|                                     | 2016    | 2015    | 2016    | 2015  |
| Pending legal matters               | 69.8    | 62.4    | 5.2     | -     |
| Guarantees given                    | 1,424.4 | 1,033.0 | 413.5   | 351.9 |
| <b>Total contingent liabilities</b> | 1,494.2 | 1,095.4 | 418.7   | 351.9 |

Pending legal matters relate to a court case against two subsidiary companies, the outcome of which is unknown.

### 37. EVENTS AFTER THE REPORTING DATE

On 29 July 2016, Rogers Capital Ltd approved the issue of 18,349,000 ordinary shares of No Par Value to Rogers and Company Limited for the acquisition of all shares held by the latter company in Enterprise Information Solutions Ltd and AXA Customer Services Ltd, subject to the approvals of the regulatory authorities.

The approval of Information & Communication Technologies Authority was obtained by way of a letter dated 08 August 2016 whereas the approval of the Financial Services Commission was obtained by way of a letter dated 22 August 2016. The issue of the above shares will take effect as from 22 August 2016.



# OTHERS

## EXPLANATORY NOTES

30 June 2016

### 38. ULTIMATE HOLDING ENTITY

The ultimate holding entity is Société Caredas, a "société civile" registered in Mauritius.

### 39. RELATED PARTIES TRANSACTIONS

#### Accounting policy

Parties are considered to be related to the Group if they have the ability to, directly and indirectly, control the Group or exercise significant influence over the Group's financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Goods and services are sold at market related prices in force and terms that would be available to third parties.

(a) During the year, the Group transacted with related parties. Transactions which are not dealt with elsewhere in the financial statements are as follows:

| In Rs million                                  | GROUP |       | COMPANY |       |
|--|-------|-------|---------|-------|
|  | 2016  | 2015  | 2016    | 2015  |
| <b>Sales of goods &amp; services to</b>        |       |       |         |       |
| Subsidiaries                                   | -     | -     | -       | -     |
| Associates                                     | 131.2 | 79.8  | -       | -     |
| Jointly controlled entities                    | -     | 15.5  | -       | -     |
| Other related parties                          | 83.7  | 61.4  | -       | -     |
| <b>Dividend and other income from</b>          |       |       |         |       |
| Subsidiaries                                   | -     | -     | 404.2   | 266.8 |
| Associates                                     | -     | -     | 88.0    | 47.0  |
| Jointly controlled entities                    | -     | -     | 6.6     | 0.6   |
| <b>Purchase of goods &amp; services from</b>   |       |       |         |       |
| Subsidiaries                                   | -     | -     | 11.5    | 17.9  |
| Associates                                     | 94.4  | 53.2  | 14.8    | 6.9   |
| Jointly controlled entities                    | -     | 0.5   | -       | 0.7   |
| Other related parties                          | 68.0  | 142.3 | 5.4     | 10.2  |
| <b>Loans payable to</b>                        |       |       |         |       |
| Subsidiaries                                   | -     | -     | 53.0    | 33.5  |
| Associates (See note b below)                  | 140.4 | 19.5  | 11.4    | 8.4   |
| Jointly controlled entities (See note b below) | -     | -     | 35.0    | 13.5  |
| Other related parties                          | -     | 8.0   | -       | -     |



### 39. RELATED PARTIES TRANSACTIONS (CONTD)

(a) During the year, the Group transacted with related parties. Transactions which are not dealt with elsewhere in the financial statements are as follows (contd):

| In Rs million                            | GROUP |      | COMPANY |         |
|--|-------|------|---------|---------|
|  | 2016  | 2015 | 2016    | 2015    |
| Loans receivable from                    |       |      |         |         |
| Subsidiaries                             | -     | -    | 1,256.4 | 1,388.3 |
| Associates (See note (b) below)          | 19.9  | -    | -       | -       |
| Amount owed by                           |       |      |         |         |
| Subsidiaries                             | -     | -    | 126.6   | 250.6   |
| Associates                               | 34.3  | 19.5 | 0.7     | 5.1     |
| Jointly controlled entities              | -     | -    | 0.2     | -       |
| Other related parties                    | 20.4  | 8.0  | -       | -       |
| Amount owed to                           |       |      |         |         |
| Subsidiaries                             | -     | -    | 114.2   | 288.3   |
| Associates                               | 14.5  | 15.2 | 10.0    | 12.8    |
| Jointly controlled entities              | -     | -    | -       | 13.6    |
| Other related parties                    | 11.0  | 18.1 | -       | 0.1     |
| Remuneration of key management personnel |       |      |         |         |
| Short term employee benefit              | 80.6  | 70.6 | 45.9    | 47.0    |
| Post employment benefits                 | 5.8   | 5.1  | 3.4     | 0.3     |
| Termination benefits                     | 5.6   | -    | 5.6     | -       |

(b) These represent deposits made to associates and joint ventures for which there is no fixed repayment terms, security or guarantee. All other transactions have been made on commercial terms and in the normal course of business.

(c) There has been no guarantees provided or received for any related party receivables or payables.

(d) For the year ended 30 June 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015: Nil).

## OTHERS

# EXPLANATORY NOTES

30 June 2016

### 40. BUSINESS SEGMENTS

#### Accounting policy

Operating segments are components of the Group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation.

Operating segments that do not meet any of the quantitative thresholds of 10 percent reported revenue or profit or assets are included if management believes that information about these segments would be useful to users to better appraise financial information.

Year ended 30 June 2016

| In Rs million  | Aviation | Financial Services | Hotels | Logistics |
|--|----------|--------------------|--------|-----------|
| <b>Revenue</b>   | 551      | 266                | 2,040  | 3,125     |
| Segment profit (loss) from operations before finance costs | 45       | 54                 | 221    | 149       |
| Finance costs  | (5)      | (6)                | (19)   | (27)      |
| Fair value gain on investment properties                   | -        | -                  | -      | -         |
| Share of results of associated companies                   | (11)     | 94                 | (57)   | 13        |
| <b>Profit (loss) before exceptional items</b>              | 29       | 142                | 145    | 135       |
| Exceptional Items  | -        | -                  | -      | (1)       |
| <b>Profit (loss) before taxation</b>                       | 29       | 142                | 145    | 134       |
| Taxation   | (13)     | (11)               | (25)   | (35)      |
| <b>Profit (loss) for the year</b>                          | 16       | 131                | 120    | 99        |
| Assets   | 1,165    | 1,885              | 7,542  | 2,867     |
| Liabilities  | 833      | 360                | 2,334  | 1,608     |
| Capital expenditure  | (16)     | (5)                | (144)  | (140)     |
| Depreciation & amortisation                                | (14)     | (7)                | (147)  | (91)      |

(a) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers.

(b) Product description of above segments:

Aviation – GSA of airlines, travel agency and catamaran tours.

Financial Services – Asset Management investment in Swan General Ltd.

Hotels – Hotel and Spa services, golf course and investment in New Mauritius Hotels Ltd.

Logistics – Freight forwarding, warehousing, courier services, packing of special sugars, shipping agency and port related services.

Property – Property management and rentals.

Real Estate and Agribusiness – construction and sale of villas and agriculture.

Technology – Information Solution providers and business process outsourcing.

Corporate Services – strategy monitoring, support to SBUs, performance monitoring and statutory reporting.

Corporate Treasury – Net financing costs.



| Property | Real Estate and Agribusiness | Technology | Corporate Office | Corporate Treasury | Group Elimination | TOTAL  |
|----------|------------------------------|------------|------------------|--------------------|-------------------|--------|
| 1,164    | 681                          | 343        | 257              | -                  | (260)             | 8,167  |
| 610      | (101)                        | 23         | (48)             | 81                 | -                 | 1,034  |
| (297)    | (21)                         | (1)        | -                | (165)              | -                 | (541)  |
| 379      | 6                            | -          | -                | -                  | -                 | 385    |
| (44)     | 19                           | 8          | 16               | -                  | -                 | 38     |
| 648      | (97)                         | 30         | (32)             | (84)               | -                 | 916    |
| 101      | 6                            | -          | (3)              | -                  | -                 | 103    |
| 749      | (91)                         | 30         | (35)             | (84)               | -                 | 1,019  |
| (54)     | 12                           | (3)        | -                | -                  | -                 | (129)  |
| 695      | (79)                         | 27         | (35)             | (84)               | -                 | 890    |
| 11,398   | 4,483                        | 188        | 2,356            | -                  | (2,434)           | 29,450 |
| 5,632    | 1,077                        | 117        | 3,503            | -                  | (2,434)           | 13,030 |
| (410)    | (76)                         | (32)       | (12)             | -                  | -                 | (835)  |
| (8)      | (33)                         | (15)       | (10)             | -                  | -                 | (325)  |

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# EXPLANATORY NOTES

30 June 2016

### 40. BUSINESS SEGMENTS (CONTD)

Year ended 30 June 2015

| In Rs million  | Aviation | Financial Services | Hotels | Logistics |
|--|----------|--------------------|--------|-----------|
| <b>Revenue</b>   | 540      | 145                | 1,860  | 3,002     |
| Segment profit (loss) from operations before finance costs     | 36       | 48                 | 109    | 90        |
| Finance costs  | (4)      | -                  | (59)   | (24)      |
| Fair value gain on investment properties                       | -        | -                  | -      | -         |
| Share of results of associated and jointly controlled entities | 21       | 81                 | 97     | 26        |
| <b>Profit (loss) before exceptional items</b>                  | 53       | 129                | 147    | 92        |
| Exceptional Items  | -        | -                  | -      | (6)       |
| <b>Profit (loss) before taxation</b>                           | 53       | 129                | 147    | 86        |
| Taxation   | (11)     | (12)               | 25     | (16)      |
| <b>Profit (loss) for the year</b>                              | 42       | 117                | 172    | 70        |
| Assets   | 1,432    | 1,840              | 6,830  | 2,353     |
| Liabilities  | 1,081    | 356                | 1,934  | 1,180     |
| Capital expenditure  | (13)     | (3)                | (86)   | (106)     |
| Depreciation & amortisation                                    | (15)     | (4)                | (137)  | (77)      |



| Property | Real Estate and Agribusiness | Technology | Corporate Office | Corporate Treasury | Group Elimination | Total  |
|----------|------------------------------|------------|------------------|--------------------|-------------------|--------|
| 508      | 1,076                        | 262        | 165              | -                  | (407)             | 7,151  |
| 230      | 105                          | 18         | (105)            | 47                 | -                 | 578    |
| (93)     | (20)                         | (1)        | -                | (86)               | -                 | (287)  |
| 42       | 128                          | -          | -                | -                  | -                 | 170    |
| 386      | 6                            | 3          | 1                | -                  | -                 | 621    |
| 565      | 219                          | 20         | (104)            | (39)               | -                 | 1,082  |
| 9        | 6                            | -          | 68               | -                  | -                 | 77     |
| 574      | 225                          | 20         | (36)             | (39)               | -                 | 1,159  |
| (29)     | (63)                         | (3)        | -                | -                  | -                 | (109)  |
| 545      | 162                          | 17         | (36)             | (39)               | -                 | 1,050  |
| 5,886    | 4,510                        | 165        | 2,376            | -                  | (2,757)           | 22,635 |
| 1,596    | 906                          | 116        | 3,173            | -                  | (2,757)           | 7,585  |
| (13)     | (28)                         | (19)       | (11)             | -                  | -                 | (279)  |
| (8)      | (32)                         | (14)       | (9)              | -                  | -                 | (296)  |

## EXPLANATORY NOTES

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### 41. FINANCIAL ASSETS / LIABILITIES BY CATEGORY

#### Accounting policy

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

The Group's accounting policies in respect of the financial instruments are as follows:

#### Investment in financial assets

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured on fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

#### Held-to-maturity financial assets

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

#### Held-for-trading financial assets

Financial assets held-for-trading are measured at fair value. Unrealised gains and losses are recognised in the Statement of profit or loss. On disposal the profit or loss recognised in the Statement of profit or loss is the difference between the proceeds and the carrying amount of the asset.

#### Available-for-sale financial assets

Available-for-sale financial assets are those financial assets that are not held-for-trading or held-to-maturity.

They are carried at fair value. Unrealised gains and losses arising from change in fair value are recognised in Other Comprehensive Income. On disposal of available-for-sale financial assets, the gain or loss arising from the difference between the sale proceeds and the previous carrying amount adjusted for any prior adjustment that had been reported in Other Comprehensive Income to reflect the fair value of that asset, is recognised in the Statement of profit or loss.

Fair value for quoted financial assets is based on market quotation. If the market for a financial asset is not active, and for unquoted financial assets the Group establishes fair value by using recognised and acceptable valuation techniques. Financial assets are categorised according to a fair value hierarchy as follows:

Level 1 financial assets are those with unadjusted quoted prices in active markets for identical investments.

Level 2 financial assets include quoted prices for similar investments in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (ie, interest rates or yields) and inputs that are derived from or corroborated by observable market data.

Level 3 includes unobservable inputs that reflect directors' assumptions about what factors market participants would use in pricing such investments. These inputs are based on the best information available including the Group's own information.

#### Non-current receivables

Non-current receivables are measured at amortised cost using the effective interest rate method, less provision for impairment. The amount of loss is recognised in the Statement of profit or loss.

#### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of provision is recognised in the Statement of profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash in hand, deposits with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statements of Financial Position.



#### 41. FINANCIAL ASSETS / LIABILITIES BY CATEGORY (CONTD)

##### Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges are accounted for on an accrual basis.

##### Trade and other payables

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

##### Significant accounting judgements and estimates

A number of assets and liabilities included in the Group's financial statements are measured at fair value and utilises market observable inputs and data. Inputs used in determining fair value are categorised into:

Level 1 : Quoted prices in active market for identical items (unadjusted).

Level 2 : Observable inputs other than level 1.

Level 3 : Unobservable inputs that are not derived from market data.

In assessing the fair value of financial instruments in level 3, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting date. The carrying value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair values of those assets and liabilities not presented in the Group's and the Company's Statements of Financial Position at their fair values are not materially different from their carrying amounts. The fair value of securities not quoted in active market is determined by using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is appropriate.

##### (a) Financial assets by category

| <b>GROUP</b>                             |                    |                       |                        |                |
|--|--------------------|-----------------------|------------------------|----------------|
| In Rs million                            | Available-for-sale | Loans and receivables | Other financial assets | Total          |
| Per Statement of Financial Position      |                    |                       |                        |                |
| At 30 June 2015                          |                    |                       |                        |                |
| Investment in financial assets (note 15) | 242.6              | 200.0                 | -                      | 442.6          |
| Non-current receivables (note 17)        | -                  | 137.5                 | -                      | 137.5          |
| Trade and other receivables (note 20)    | -                  | 2,205.0               | -                      | 2,205.0        |
| Cash and cash equivalents (note 32)      | -                  | -                     | 817.0                  | 817.0          |
| <b>Total financial assets</b>            | <b>242.6</b>       | <b>2,542.5</b>        | <b>817.0</b>           | <b>3,602.1</b> |
| At 30 June 2016                          |                    |                       |                        |                |
| Investment in financial assets (note 15) | 627.0              | -                     | -                      | 627.0          |
| Non-current receivables (note 17)        | -                  | 84.7                  | -                      | 84.7           |
| Trade and other receivables (note 20)    | -                  | 2,985.6               | -                      | 2,985.6        |
| Cash and cash equivalents (note 32)      | -                  | -                     | 944.1                  | 944.1          |
| <b>Total financial assets</b>            | <b>627.0</b>       | <b>3,070.3</b>        | <b>944.1</b>           | <b>4,641.4</b> |



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#### 41. FINANCIAL ASSETS / LIABILITIES BY CATEGORY (CONTD)

##### (a) Financial assets by category (contd)

| <b>COMPANY</b>                                    |                    |                       |                        |                |
|---|--------------------|-----------------------|------------------------|----------------|
| In Rs million                                     | Available for sale | Loans and receivables | Other financial assets | Total          |
| Per Statement of Financial Position               |                    |                       |                        |                |
| At 30 June 2015                                   |                    |                       |                        |                |
| Investment in financial assets (note 15)          | 228.7              | 200.0                 | -                      | 428.7          |
| Non-current receivable (note 17)                  | -                  | 1,086.8               | -                      | 1,086.8        |
| Trade and other receivables (note 20)             | -                  | 14.1                  | -                      | 14.1           |
| Amounts receivable from group companies (note 21) | -                  | 636.4                 | -                      | 636.4          |
| Bank balances and cash (note 32)                  | -                  | -                     | 27.3                   | 27.3           |
| <b>Total financial assets</b>                     | <b>228.7</b>       | <b>1,937.3</b>        | <b>27.3</b>            | <b>2,193.3</b> |
| At 30 June 2016                                   |                    |                       |                        |                |
| Investment in financial assets (note 15)          | 613.2              | -                     | -                      | 613.2          |
| Non-current receivable (note 17)                  | -                  | 1,015.3               | -                      | 1,015.3        |
| Trade and other receivables (note 20)             | -                  | 121.6                 | -                      | 121.6          |
| Amounts receivable from group companies (note 21) | -                  | 395.9                 | -                      | 395.9          |
| Bank balances and cash (note 32)                  | -                  | -                     | 18.1                   | 18.1           |
| <b>Total financial assets</b>                     | <b>613.2</b>       | <b>1,532.8</b>        | <b>18.1</b>            | <b>2,164.1</b> |

##### (b) Financial liabilities by category

| <b>GROUP</b>                             |  | Financial liabilities at amortised costs |
|--|--|--|
| In Rs million                            |  |  |
| Per Statement of Financial Position      |  |  |
| At 30 June 2015                          |  |  |
| Borrowings (note 26)                     |  | 4,319.1                                  |
| Retirement benefit obligations (note 28) |  | 166.7                                    |
| Trade and other payables (note 29)       |  | 2,635.1                                  |
| Dividend payable (note 25)               |  | 136.1                                    |
| <b>Total financial liabilities</b>       |  | <b>7,257.0</b>                           |
| At 30 June 2016                          |  |  |
| Borrowings (note 26)                     |  | 8,802.7                                  |
| Retirement benefit obligations (note 28) |  | 180.9                                    |
| Trade and other payables (note 29)       |  | 3,496.9                                  |
| Dividend payable (note 25)               |  | 141.1                                    |
| <b>Total financial liabilities</b>       |  | <b>12,621.6</b>                          |



#### 41. FINANCIAL ASSETS / LIABILITIES BY CATEGORY (CONTD)

(b) Financial liabilities by category (contd)

| <b>COMPANY</b>                               |   |
|--|---|
| In Rs million                                | Financial liabilities<br>at amortised costs |
| Per Statement of Financial Position          |   |
| At 30 June 2015                              |   |
| Borrowings (note 26)                         | 2,516.9                                     |
| Retirement benefit obligations (note 28)     | 4.6   |
| Trade and other payables (note 29)           | 154.5                                       |
| Amounts payable to group companies (note 31) | 288.4                                       |
| Dividend payable (note 25)                   | 136.1                                       |
| <b>Total financial liabilities</b>           | <b>3,100.5</b>                              |
| At 30 June 2016                              |   |
| Borrowings (note 26)                         | 2,942.5                                     |
| Retirement benefit obligations (note 28)     | 25.1  |
| Trade and other payables (note 29)           | 237.7                                       |
| Amounts payable to group companies (note 31) | 114.2                                       |
| Dividend payable (note 25)                   | 141.1                                       |
| <b>Total financial liabilities</b>           | <b>3,460.6</b>                              |

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# EXPLANATORY NOTES

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### 42. FINANCIAL SUMMARY

| In Rs million   | 2016        | 2015        | 2014        |
|---|-------------|-------------|-------------|
| Statement of Profit or Loss and Other Comprehensive Income                                |             |             |             |
| <b>Revenue</b>  | 8,167.4     | 7,151.0     | 6,187.0     |
| Profit from operations before finance costs   | 1,033.6     | 577.8       | 404.6       |
| Finance costs   | (541.4)     | (287.4)     | (271.3)     |
| Fair value gain on investment properties  | 385.2       | 170.2       | 170.5       |
| Share of results of jointly controlled entities   | (49.7)      | 383.3       | 203.8       |
| Share of results of associated companies  | 88.0        | 238.0       | 228.8       |
| <b>Profit before exceptional items</b>  | 915.7       | 1,081.9     | 736.4       |
| Exceptional items   | 103.2       | 76.4        | 70.9        |
| <b>Profit before taxation</b>   | 1,018.9     | 1,158.3     | 807.3       |
| Taxation  | (129.2)     | (108.8)     | (36.9)      |
| <b>Profit for the year</b>  | 889.7       | 1,049.5     | 770.4       |
| Attributable to   |             |             |             |
| Owners of the parent  | 405.1       | 544.1       | 467.5       |
| Non-controlling interests   | 484.6       | 505.4       | 302.9       |
| <b>Profit for the year</b>  | 889.7       | 1,049.5     | 770.4       |
| Number of shares in issue   | 252,045,300 | 252,045,300 | 252,045,300 |
| <b>Earnings per ordinary share (EPS)</b>  | Rs 1.61     | 2.16        | 1.85        |
| Profit attributable to owners of the parent from operations (excluding exceptional items) | Rs 340.9    | 469.6       | 445.3       |
| Number of shares in issue   | 252,045,300 | 252,045,300 | 252,045,300 |
| <b>EPS (excluding exceptional items)</b>  | Rs 1.35     | 1.86        | 1.77        |
| <b>Other comprehensive income for the year</b>  | 4.9         | (22.0)      | 513.1       |
| <b>Cash dividends per ordinary share</b>  | Rs 0.84     | 0.84        | 0.80        |



#### 42. FINANCIAL SUMMARY (CONTD)

| In Rs million                                 | 2016            | 2015            | 2014            |
|---|-----------------|-----------------|-----------------|
| <b>Assets and Liabilities</b>                 |                 |                 |                 |
| Non current assets                            | 25,019.9        | 19,011.9        | 17,918.3        |
| Current assets                                | 4,430.1         | 3,622.7         | 3,121.1         |
| Non-current asset classified as held for sale | -               | -               | 90.7            |
| <b>Total assets</b>                           | <b>29,450.0</b> | <b>22,634.6</b> | <b>21,130.1</b> |
| Share capital                                 | 1,260.2         | 1,260.2         | 252.0           |
| Reserves                                      | 8,216.9         | 8,066.7         | 8,764.0         |
| Non-controlling interests                     | 6,942.8         | 5,723.0         | 5,345.5         |
| Non current liabilities                       | 7,757.9         | 3,889.8         | 3,284.2         |
| Current liabilities                           | 5,272.2         | 3,694.9         | 3,484.4         |
| <b>Total equity and liabilities</b>           | <b>29,450.0</b> | <b>22,634.6</b> | <b>21,130.1</b> |
| Share Capital                                 |                 |                 |                 |
| Authorised                                    |                 |                 |                 |
| Number of ordinary shares                     | 252,045,300     | 252,045,300     | 50,000,000      |
| Ordinary shares (Rs m)                        | 1,260.0         | 1,260.0         | 500.0           |
| Issued and fully paid                         |                 |                 |                 |
| Number of ordinary shares                     | 252,045,300     | 252,045,300     | 252,045,300     |
| Ordinary shares (Rs m)                        | 1,260.0         | 1,260.0         | 25.2            |