Ciel

INTEGRATED REPORT 2019

Photo Credits: Xavier Koenig
CIEL sponsored Xavier Koenig and Teshil Gangaram in the 7 Summits Africa 2018 Expedition, where they climbed the highest mountains of East Africa. You will discover their Expedition and their "Go Beyond" spirit throughout the report.

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Dear shareholder,

The Board of Directors of CIEL Limited (“the Company”) is pleased to present its Integrated Report for the financial year ended 30 June 2019.

We invite you to join us at the Annual Meeting of the Company to be held:

Date: 20 December 2019
Time: 13:30 hours
Place: 5th Floor, Ebène Skies, Rue de l’Institut, Ebène

Sincerely,

P. Arnaud Dalais
Chairman

Jean-Pierre Dalais
Group Chief Executive

ABOUT THIS REPORT

This integrated report aims at providing a good overview of CIEL presenting our unique way of doing business and engaging with our customers and partners.

Reporting from a Group perspective, we have chosen to focus on CIEL's overall strategy, governance, risk management and group actions. This hopefully provides a balanced, concise and comprehensive overview of how CIEL creates value for its stakeholders.

INTEGRATED REPORTING PRINCIPLES

This report has been developed following the guidelines of the International Integrated Reporting Council. It will not cover all our operations in details but rather provides key information - considered material at CIEL level - to understand and assess CIEL's performance, effective management and strategic directions. More in-depth information can be found in each Group companies' respective annual report and/or on our website.

REPORTING SCOPE AND PROCESS

This report covers the financial year ended 30 June 2019 in terms of performance as well as some key material initiatives that occur in the first quarter of the current financial year. We have included only what we believe is material, issues that we think have or can have a significant positive or negative impact on the operations, profitability or brand equity of CIEL.

It was prepared by CIEL Head office in close collaboration with our clusters' management teams. We welcome your feedback on the report and invite you to share your comments or questions to: investorrelations@cielgroup.com.

FORWARD-LOOKING STATEMENT

The report contains forward-looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond our control. We therefore advise readers to use caution in interpreting any forward-looking statements in this report.

CIEL Today

5 STRATEGIC CLUSTERS
across **Mauritius, Africa and Asia**

AGRO & PROPERTY

TEXTILE

HOTELS & RESORTS

FINANCE

HEALTHCARE

OUR PURPOSE

FOR A WORLD
WE CAN ALL FEEL
PROUD OF

OUR VALUES

PEOPLE AT HEART

EXCELLENCE AT CORE

ETHICAL & SUSTAINABLE

Listed on the
Stock Exchange of Mauritius ("SEM")
and on the
SEM Sustainability Index ("SEMSI")

33,000
Group employees

107 YEARS
OF TRACK RECORD

MARKET CAPITALISATION
MUR **10.5** bn
AS AT 30 JUNE 2019

MUR **5.3** M
invested in social projects through Fondation CIEL Nouveau Regard in 2018/2019

Key Figures

(as at 30 June 2019)

GROUP CONSOLIDATED REVENUE
MUR **24.21** bn ▲ 7%
MUR 22.61bn - 30 JUNE 2018

GROUP EBITDA
MUR **3.44** bn ▲ 17%
MUR 2.95bn - 30 JUNE 2018

COMPANY NAV PER SHARE
MUR **7.02** ▼ 17%
MUR 8.49 - 30 JUNE 2018

NORMALISED PROFIT AFTER TAX
MUR **1.30** bn ▲ 19%
MUR 1.09bn - 30 JUNE 2018

LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT
MUR **(860)** M
MUR 442M - 30 JUNE 2018

DIVIDEND PER SHARE
MUR **0.21** ▲ 5%
MUR 0.20 - 30 JUNE 2018

A Global Presence


BANGLADESH
INDIA
MALDIVES
MAURITIUS

Key Events this Year

United Nations
Climate Change

December 2018

Tropic Knits becomes a founding signatory of the UN Fashion Industry Charter for Climate Action

January 2019

Launch of the first International Marine Research Centre in Mauritius by La Pirogue, a Sun Resort, in collaboration with other partners

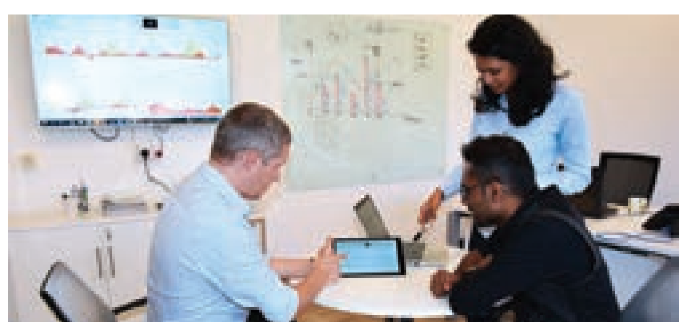
January 2019

BNI MADAGASCAR, one of Madagascar's leading commercial banks operating 80+ branches and 110+ ATMS, celebrates its 100th anniversary

March 2019

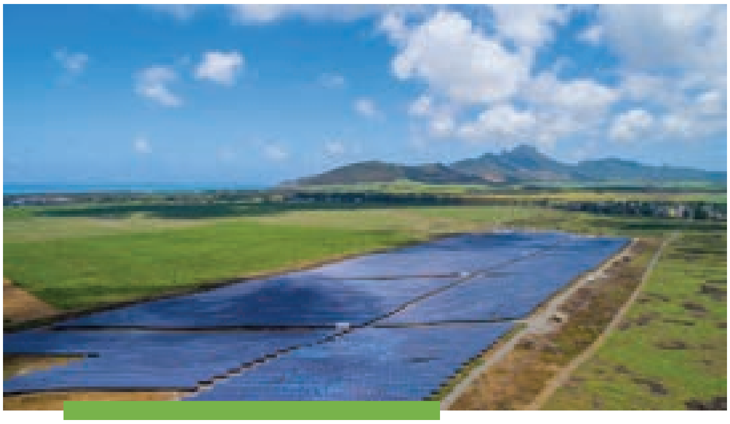
Launch of new brand positioning at Ferney

Ferney
RECONNECT WITH NATURE



March 2019

Launch of CIEL Finance Data Services



March 2019

Alteo and Quadran launch
Helios Beau Champ, their new solar farm

March 2019

CIEL is listed on the Stock Exchange of Mauritius Sustainability Index ("SEMSI"), the national standard for the recognition of the performance in terms of sustainability

March 2019

BNI MADAGASCAR wins the 'Best Bank of Madagascar 2019' award from Global Finance Magazine

April 2019

CIEL sponsors the third edition of the TEDxALC

March 2019

CIEL wins the PwC Corporate Reporting Awards (CRA) for its 'Online Reporting' for the second consecutive year

April 2019

Launch of the C-Care brand family

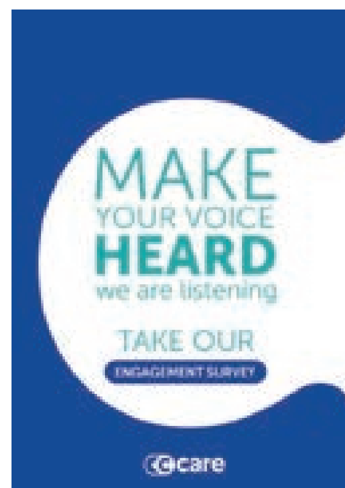
Key Events this Year (Cont'd)

April 2019

Launch of CIEL-HEC leadership programme for CIEL Top 100 talents

May 2019

Launch of Bank One's new tailor-made financial services: Elite Banking



May 2019

Kick-off of the first Engagement Survey for C-Care and IMG

June 2019

Launch of KRED, BNI MADAGASCAR's microcredit solutions in partnership with its telecom partner, TELMA

June 2019

Aquarelle India develops a 100% recycled shirt

June 2019

World Environment Day celebrated throughout CIEL Group via several activities such as tree planting and cleaning campaigns

June 2019

Launch of BNI P@Y by BNI MADAGASCAR, the first instant online payment platform in Madagascar

Key Events this Year (Cont'd)

June 2019

Launch of the 'One Life One Tree' initiative by C-Care at Ferney La Vallée

July 2019

Sponsoring of the Indian Ocean Island Games 2019: CIEL was the exclusive sponsor of the rugby discipline

July 2019

Kick-off of the first Engagement Survey for CIEL Textile

August 2019

CIEL increases its stake in C-Care (Mauritius) Ltd (87.49%), through direct and indirect shareholding

July 2019

Appointment of
Hélène Echevin as
Chief Executive Officer
of CIEL Healthcare

August 2019

CIEL acquires all CIEL Textile Limited's
ordinary shares held by minority shareholders

September 2019

Launch of a Paediatric Surgery Centre
by C-Care, a first in Mauritius

September 2019

Leadership transition: appointment of
François Eynaud as the Chief Executive
Officer of Sun Limited

October 2019

First edition of CIEL Innovation Awards

A Strong **Leadership** and **Governance**

CIEL's Board of Directors

A highly qualified Board to set CIEL's strategy and control its execution.

L. J. Jérôme De Chasteauneuf

Group Finance Director of CIEL, overseeing the Group's finances

Roger Espitalier Noël

Corporate Sustainability Committee's Chairman and former executive of CIEL Textile, leading its expansion in Madagascar in early 2000

R. Thierry Dalais

Founder and the Executive Chairman of Metier, a proven leader in private equity, alternative assets and related advisory services

M. A. Louis Guimbeau

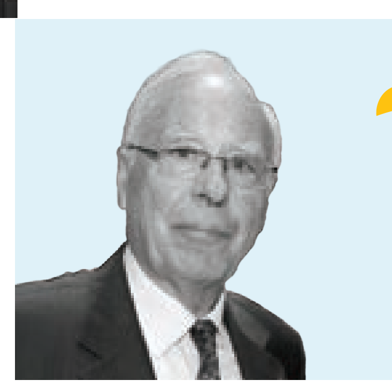
Former executive within several companies in Mauritius

Sébastien Coquard

Head of investments at FFP, a listed investment company majority-owned by the Peugeot family

Marc Ladreit de Lacharrière

Founder of Fimalac which operates in 4 business areas: capital investment, digital media, entertainment and leisure activities and hotels through the Group Barrière



P. Arnaud Dalais

Chairman of CIEL and key instigator of CIEL's growth journey for the past 30 years

Jean-Pierre Dalais

Group Chief Executive of CIEL overseeing the Group's strategy and operations

Guillaume P. A. Dalais

CEO of the Knitwear cluster of CIEL Textile since 2016, with a proven track record in the investment banking in South Africa and Mauritius

Marc Dalais

Founder and current CEO of Celero group, a leading logistics and shipping group operating mainly in Mauritius and Madagascar

J. Harold Mayer

CEO of CIEL Textile, in the driver's seat of CIEL Textile's global strategy and expansion for the past 20 years

Catherine McIlraith

Proven investment banker who held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE, NatWest and Investec amongst others

Pierre Danon

French entrepreneur, Chairman of Solocal Group, the European leader in digital communication and Chairman of Volia in Kiev, the Ukrainian leading cable and broadband company

Xavier Thiéblin

Manager and administrator of several companies, including OXACO, a family holding company

Jean-Louis Savoye

Deputy General Manager of Dentressangle, a French *société par actions simplifiée* which is the investment holding company of the Dentressangle family

Read the full biographies of our Board Members under Principle 3 of the Corporate Governance Report.

A Strong **Leadership** and **Governance** (Cont'd)

Dedicated Committees Assisting the Board in its Duties

Strategic & Advisory Committee

Main Responsibilities:
Analyses and recommends portfolio management strategies, reviewing key investments/divestments decisions as well as financing and treasury strategies.

Focus Areas during the Year

- Definition of CIEL's Corporate Strategy and Investment Guidelines for the subsidiaries
- Acquisition of Fortis Shares in C-Care (Mauritius) Ltd
- Acquisition of minority shares in CIEL Textile Limited through a Scheme of Arrangement sanctioned by the Supreme Court of Mauritius
- Cash flow forecasts/debt refinancing
- Deep dive on C-Care (Mauritius) Ltd
- Annual budget review

Meetings held during the Financial Year
5

Chairman
R. Thierry Dalais

Audit & Risk Committee

Main Responsibilities:
Reviews and monitors financial statements, internal controls and key risks identified as well as formal announcements relating to the Company's financial performance.

Focus Areas during the Year

- Audited financial statements and quarterly condensed financial statements
- Risk report
- Internal audit plan, charter and fees
- Internal audit report
- Enterprise risk management policy
- Risk management report and risk dashboard
- CIEL business continuity guidelines

Meetings held during the Financial Year
4

Chairman
Catherine McIlraith

Corporate Governance, Ethics, Nomination & Remuneration Committee

Main Responsibilities:
Recommends corporate governance provisions and new board/senior executive nominations; approves bonus and remuneration for the Executives, monitors the implementation of the code of ethics.

Focus Areas during the Year

- Corporate governance report review
- Executives' bonus and Chairman's fee
- Nominations on board committees and subsidiaries
- Board effectiveness survey (results and action plan)
- CIEL Textile's succession plan

Meetings held during the Financial Year
3

Chairman
Pierre Danon

Corporate Sustainability Committee

Main Responsibilities:
Defines and approves CIEL Group's environment and social policy, strategy and action plan. Monitors and reports on the implementation of a proper sustainability management system within the Group.

Focus Areas during the Year

- CIEL's Environmental and Social Action Plan
- Responsible supply chain management policy
- CIEL's 2020 sustainability action plan and projects related thereto, including a listing on the SEMSI
- CIEL's sustainable growth strategy
- Cluster sustainability reports and roadmaps
- Definition of common environmental & social assessment criteria and key performance indicators for the annual audit and data collection exercise at cluster level
- Crisis risk and reporting procedure for the Group

Meetings held during the Financial Year
3

Chairman
Roger Espitalier Noël

FIND OUT MORE
under Principle 2 of the Corporate Governance Report.

A Strong **Leadership** and **Governance** (Cont'd)

CIEL's Executive Management Team

An experienced management team

Jean-Pierre Dalais
Group Chief Executive of CIEL

L. J. Jérôme de Chasteauneuf
Group Finance Director

Christine Sauzier
Group General Counsel

Dev Sewgobind
Group Head of Human Resources

Clothilde de Comarmond
Group Company Secretary

Yogesh Kissoondary
Group Head of Corporate Finance

Mathieu Razé
Group Head of Communications and Sustainability

Danny Runghen
Group Head of Treasury

Supporting Cluster CEOs to drive sustainable performance

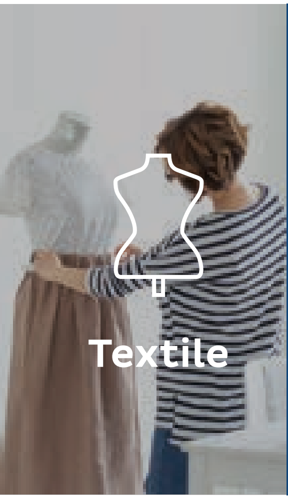
Hélène Echevin
CEO of CIEL Healthcare

François Eynaud
CEO of Sun Limited

J. Harold Mayer
CEO of CIEL Textile

Marc-Emmanuel Vives
CEO of CIEL Finance

Group Overview



- #1 textile operator in Mauritius and Madagascar
- #1 in high-quality shirt-making in India
- Key clients:
  Lacoste, Levi's, ASOS, J. Crew

% OF CIEL'S PORTFOLIO
29%

% OF REVENUE
50.1%

REVENUE GROWTH
(Driven by the woven segment)
+11%

- 3 clusters (Knits, Knitwear, Woven)
- 4 countries
- 20 production units
- 36M garments exported
- Approx. 18,000 employees

- Regional sugarcane industry player with strategic presence in East Africa
- #1 sugar producer in Mauritius
- Main partners:
  Tereos, Albioma, Quadran

% OF CIEL'S PORTFOLIO
22%

% OF REVENUE*
0.6%

REVENUE GROWTH
(Driven by CIEL's Facility Management company)
+34%

* Alteo's share of results are not consolidated at the revenue level as it is an associated undertaking

- 3 countries
- 3 sugar factories
- 3 power plants
- 2,800 hectares of land in Ferney
- 200 hectares of nature reserve
- Approx. 6,300 employees

- Sun Limited:
  #2 Hospitality Group in Mauritius
- Main partners:
  Four Seasons, Shangri-La, Dentressangle

% OF CIEL'S PORTFOLIO
24%

% OF REVENUE
27.2%

REVENUE GROWTH
(Performance affected by the challenging market conditions)
-2%

- 9 owned and managed properties in the Indian Ocean
- 2 tour operators
- More than 1,500 rooms
- Approx. 4,200 employees

- Well-positioned to be #1 in Madagascar by 2020
- Main partners: Amethis Finance, Proparco, I&M Bank, Axian, Telma

% OF CIEL'S PORTFOLIO

20%

% OF REVENUE

11.8%

REVENUE GROWTH
(Driven by CIEL's banking activities)

+9%

- 7 countries
- 2 banks
- 1 fiduciary company
- 1 asset management company
- 1 private equity business with 2 funds
- Approx. **1,500 employees**

- Strong leadership position in Mauritius
- Largest operator in Uganda and foothold in Nigeria
- Main partners: International Finance Corporation, Proparco, IFHA-II, Kibo

% OF CIEL'S PORTFOLIO

5%

% OF REVENUE

10.3%

REVENUE GROWTH
(Driven by increased occupancy rates)

+10%

- 3 countries
- 6 hospitals
- 35 clinics
- 2 Health membership organisations
- Approx. **2,100 employees**
- 3 main Laboratories and 3 lab collection points

Group Structure and Value Proposition

OUR CLUSTERS

Textile

- **CIEL Textile Limited**
  - Woven
    - Aquarelle Clothing
    - Consolidated Fabrics
    - Laguna Clothing
  - Knits
    - Tropic Knits
    - CDL Knits
  - Knitwear
    - Floreal Knitwear
    - Ferney Spinning Mills

Hotels & Resorts

- **Sun Limited**
  - Ambre
  - Long Beach
  - La Pirogue
  - Sugar Beach
  - Kanuhura
  - Shangri-La's Le Touessrok Resort & Spa
  - Four Seasons Mauritius at Anahita
  - Solea
  - World Leisure Holidays
- **Anahita Golf & Spa Resort**

VALUE PROPOSITION

Textile

International fashion partner through:

- Exceptional design
- Outstanding service and quality
- Agility and speed
- Sustainability leadership
  - Member of Sustainable Apparel Coalition
- Transformational solutions
- Great value to medium and up-market retailers
- 40+ years of solid track record
- Multi-location sourcing platforms (Mauritius, Madagascar, India, Bangladesh)
- Duty-free access to EU and US from Mauritius and Madagascar
- Vertically integrated business across 3 clusters (Knits, Knitwear and Woven)

Hotels & Resorts

- One of the leading hotel groups in Mauritius with over 40 years of history in the local industry
- Listed on the Stock Market in Mauritius and the Stock Exchange of Mauritius Sustainability Index
- Strategically located resorts on prime beaches
- Wide offerings with four star to luxury resorts in Mauritius and Maldives
- Recently renovated portfolio of resorts
- Strategic international renowned partners (Four Seasons and Shangri-La) to raise Sun Limited's profile
- Two in-house tour operators located in our key source markets
- Potential for future expansion with ownership of undeveloped land in its portfolio

Healthcare

- **CIEL Healthcare Limited**
  - C-Care
    - Clinique Darné
    - Wellkin Hospital
    - C-Care Clinic
    - C-Lab
  - IMG
  - Hygiea

- An investment portfolio comprising of:
  - Leading private hospitals in Mauritius, Uganda and Nigeria
  - Recognised clinic network across Uganda
  - Laboratory expertise in Mauritius
  - Health Membership Organisations in Nigeria and Uganda
- Strategic investors and a solid shareholders' base
- Highly reputed network of empaneled doctors
- Two referral hospitals in Mauritius with high level of care and technicity, welcoming patients from the East African region

Finance

- **CIEL Finance Limited**
  - Bank One
  - BNI MADAGASCAR
  - MITCO
  - IPRO
  - KIBO Capital Partners
- **CIEL Corporate Services Limited**

- Uniquely complete financial services platform in Mauritius (banking + fiduciary + portfolio management), giving CIEL an edge to serve better, both international markets (foremost Africa) and domestic customers
- Innovative leadership in banking in Madagascar
- Focus within our portfolio companies on:
  - Customer satisfaction and innovation (starting with but not limited to cutting-edge information technology)
  - The permanent search for higher operational efficiency
  - A strong risk management and culture
  - Enhancing synergies (within each company, within the Group and with our partners)
- Transparent and open governance facilitating the dialogue and interaction with our shareholders and partners

Agro & Property

- **CIEL Agro & Property Limited**
  - Alteo
  - Ferney
  - CIEL Properties
  - Ebène Skies

- With over 100 years' experience in the sugar industry, Alteo is the #1 sugar producer in Mauritius
- Strategic presence in Kenya and Tanzania
- Regional sugarcane industry player creating value throughout the sugarcane value chain with the production of raw sugars, refined sugars, bagasse, molasses, energy
- Pioneer in establishing dual bagasse-coal power plants
- Strategically located high-value land bank for property development
- High-end luxury property development expertise
- Wildlife conservation in Ferney, Mauritius, home to worldwide unique endemic species

Our Brands and Partners

AQUARELLE GROUP

Floreal INTERNATIONAL

TROPIC KNITS GROUP

BANK ONE

BNI MADAGASCAR

Sun RESORTS

LA PIROGUE A SUN RESORT · MAURITIUS

Sugar Beach A SUN RESORT · MAURITIUS

ambre A SUN RESORT · MAURITIUS

LONGBEACH A SUN RESORT · MAURITIUS

KANUHURA A SUN RESORT · MALDIVES

Ile aux Cerfs LEISURE ISLAND MAURITIUS

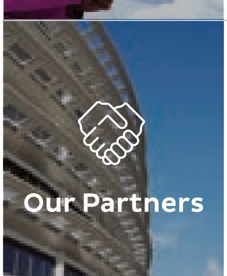
Alteo

Ferney RECONNECT WITH NATURE

C care

CLINIQUE DARNÉ by C care

WELLKIN HOSPITAL by C care



AMETHIS FINANCE

AXIAN LET'S GROW TOGETHER

PROPARCO GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

I&M Bank LIMITED

FFP

IFHA

Fimalac

CFL WOVEN FABRICS

CDL KNITS

Laguna Clothing FORMAL SHIRTS

Ferney SPINNING MILLS

MITCO

iPRO INVESTMENT PROFESSIONALS

KIBO CAPITAL PARTNERS

ANAHITA MAURITIUS

SOLEA

WORLD LEISURE holidays

Ferney LA VALLÉE

Ferney FALAISE ROUGE

C care CLINIC

C lab

IMG INTERNATIONAL MEDICAL GROUP

LAGOON HOSPITALS

Tereos

DENTRESSANGLE investing through passion

FOUR SEASONS

SHANGRI-LA HOTELS and RESORTS

IBL TOGETHER

IFC International Finance Corporation

GROUP STRATEGY AND PERFORMANCE

"This year, we delivered on our strategy by consolidating our assets, driving operational excellence, and carefully managing our capital expenditures and costs. Thanks in part to these efforts, the Group's operational performance was positive overall".

Jean-Pierre Dalais, CIEL Group Chief Executive

P. ARNAUD DALAIS
CHAIRMAN

Chairman's Statement

DEAR SHAREHOLDER,

It is my pleasure to present CIEL Limited's ("CIEL") Integrated Report for the financial year ended 30 June 2019.

CORPORATE STRATEGY

CIEL's objective is to excel in each of its five operational clusters to establish itself as a regional leader and successfully expand abroad.

Throughout the year, we continued to review and refine CIEL's corporate strategy in the aim of optimising our capital allocation and unlocking value from our strong asset base.

In the short to medium term, our focus remains on consolidation whilst ensuring that we create value from our non-core property portfolio, which is valued at MUR 4.8bn. We are therefore in the process of creating a dedicated Property cluster, whose CEO will be tasked to deliver this crucial strand of CIEL's strategy.

In the longer-term, CIEL will continue pursuing opportunities in emerging markets where our analysis gives us strong opportunity for growth in the sectors in which we operate. Of note is the high potential for expansion in sectors like Financial Services and Healthcare.

> "Throughout the year, we continued to review and refine CIEL's corporate strategy in the aim of optimising our capital allocation and unlocking value from our strong asset base".

MAJOR TRANSACTIONS

This year, in line with the Group strategy, CIEL:

- Acquired all remaining minority ordinary shares in CIEL Textile Limited ("CIEL Textile"), attaining 100% ownership of the company. As a result, CIEL Textile's shares have been delisted from the Stock Exchange of Mauritius Development and Enterprise Market.
- Acquired, directly and indirectly via CIEL Healthcare Limited, all of Fortis' shares in C-Care (Mauritius) Ltd, formerly The Medical and Surgical Centre Limited.

These transactions are expected to strengthen CIEL's stake in strategic growth companies and create value for CIEL's shareholders in the future. In particular, the acquisition of CIEL Textile gives CIEL the flexibility needed to define its long-term strategy as a world-class textile business.

FINANCIAL PERFORMANCE

CIEL's operational performance improved this year, with normalised EBITDA up 17% and Normalised Profit After Tax up 19%. These results reflect our management teams' efforts to nurture operational excellence, whilst carefully managing costs. They are particularly encouraging in our Textile and Finance clusters, which continue to drive CIEL's profitability.

Our Healthcare cluster delivered a much-improved performance, with the return to profitability from our Mauritian operations, C-Care (Mauritius) Ltd.

SUN Limited's ("SUN") performance was weaker than expected, while low sugar prices continued to put pressure on Alteo Limited's ("Alteo") results in Mauritius.

Our net results were also significantly impacted by the downward revaluation of a number of our assets, in particular SUN's Kanuhura (Maldives) property and some of Alteo's industrial equipment. This resulted in a MUR 2.5bn impairment and net losses of MUR 1.19bn for the Group. Given that these are exceptional non-cash items, we are confident that our financial performance will improve next year.

RISK MANAGEMENT

In today's increasingly complex and fast-changing world, risk management is more crucial than ever in order to anticipate and address emerging challenges. CIEL continues to strengthen its risk governance at both a Group level and within each of its businesses.

A particular focus this year has been on cybersecurity. We have reinforced our IT infrastructure, set up a Group Cybersecurity Committee, developed a cyber risk incident register, and appointed external consultants to provide support and advice on cybersecurity-related issues.

CIEL has also adopted and rolled out a whistleblowing policy overseen by the Audit & Risk Committee, thereby encouraging transparency across the Group and making it clear that wrongdoing and risky behaviour will not be tolerated.

I invite you to read our Risk Report on page 64 of this report.

SUSTAINABILITY

CIEL's commitment to sustainability is implicit in its purpose statement of creating "a world we can all feel proud of". Sustainability is and will keep on being at the forefront of our Group's core business values.

I am therefore delighted to report that CIEL was listed on The Stock Exchange of Mauritius Sustainability Index this year. This testifies to the progress made on our sustainability journey: we have now delivered on our 2015-2020 sustainability strategy, in particular by creating a solid sustainability governance system and rolling out sustainability programmes across the Group. We are now in the next phase and in the process of defining our Sustainability Strategy to 2030.

Our sustainability approach is set out in more detail on page 74 of this report.

FOUNDATION CIEL NOUVEAU REGARD

CIEL remains committed to Fondation CIEL Nouveau Regard's ("FCNR") mission to engage with and ensure the welfare of neighbouring communities, despite the increasingly challenging context for CSR in Mauritius.

National regulation now requires 75% of corporate CSR budgets to be paid into a National CSR Fund, substantially decreasing the funds available to FCNR. However, FCNR's Board of Directors has nonetheless decided to increase its contribution to the foundation beyond the 2% stipulated by law to allow FCNR to continue to deliver on its community projects. These directly impact about 6,000 individuals in Mauritius every year.

Please see page 83 for a report on FCNR's activities in 2018-19.

OUTLOOK

Despite signs of a slowdown in the global economy, we remain confident about CIEL's perspectives. Our diversified portfolio decreases our exposure to any particular sector or country. We are also well positioned in key markets that are seeing significant growth, including India and Madagascar, whose current economic prospects are promising for our operations.

Our Textile and Finance clusters continue to perform well, and initial forecasts for 2019-20 are encouraging.

Our Healthcare cluster is also well poised to deliver stronger results in Mauritius and is actively addressing the challenges it faces in Nigeria and Uganda.

Within our Agro & Property cluster, Alteo's operations in Tanzania are expected to deliver solid profitability, while Alteo's Kenyan operations should see improved results in the 2019-20 financial year.

The outlook for the Mauritian sugar industry remains challenging. However, Alteo's management team is addressing the issues head on. Alteo's Mauritian operations are being restructured to focus on property development as well as the mechanisation of sugarcane production and harvest.

As far as SUN is concerned, our operation in Maldives is progressing in terms of revenue but not satisfactorily in terms of operating results. Here also, we are tackling this issue and a new SUN CEO, Mr. François Eynaud, has been appointed on 1 September 2019. His mandate is to address the challenges at Kanuhura, Maldives while aggressively growing SUN's sales overall and improving guest experience and customer satisfaction.

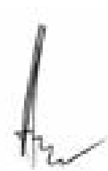
We are confident that the investments we have made to renovate SUN's strategically located assets, along with the business' focus on achieving higher margins and managing costs, will lead to a stronger performance in the medium term.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank Mr. Antoine Delaporte, who stepped down from the Board in June 2019, for his significant contribution to the Group's success over the past five years.

We are also delighted to welcome Mr. Guillaume P. A. Dalais who was appointed a Director of CIEL in June 2019.

Finally, I would like to express my sincere thanks to all CIEL Group employees, the management team and my fellow Directors for their dedication, determination and drive. It is thanks to their attitude and energy that CIEL continues to thrive despite the uncertain economic climate. I have no doubt that, together, we will continue to "Go Beyond".



P. Arnaud Dalais
Chairman
27 September 2019

CIEL **Business Model**

INPUT - VALUE WE DRAW FROM

Human Capital

- Decentralised approach with 33,000 talented individuals
- Technical expertise
- Unique savoir-faire

Financial Capital

- Equity
- Debt

Manufactured Capital

- Fixed assets such as land and buildings, factories, hotels and equipment

Our Approach

- An entrepreneurial attitude with 107 years track record
- Mostly controlling stakes in our companies
- A hands-on approach staying close to operations
- Long-term strategic partnerships bringing capital and expertise to our operations and expansion

Our Activities

Hotels & Resorts

We own and manage luxury hotels to delight our customers

Textile

We design and manufacture innovative garments for global retailers through our vertically integrated operations

Healthcare

We operate a network of leading private healthcare facilities in Mauritius, Uganda and Nigeria

Financial Services

We offer a wide range of financial services from banking to asset management, fiduciary services and private equity

Agro & Property

We bring value to our land bank by growing and transforming sugarcane and developing property projects

OUR VALUES

PEOPLE AT HEART

EXCELLENCE AT CORE

ETHICAL & SUSTAINABLE

MAIN OUTPUT DURING THE YEAR

Human Capital

- More than 400k hours of training
- 60% of CIEL employees trained
- Appointment of new CEOs for the Healthcare and Hotels & Resorts clusters
- Launch of CIEL Innovation Awards
- Launch of CIEL-HEC leadership programme for CIEL top 100 talents
- Launch of CIEL Textile International Graduate Programme in partnership with NIFT in India

Financial Capital

- Revenue: MUR 24.2bn
- Normalised Profit: MUR 1.3bn
- Normalised EBITDA: MUR 3.44bn
- Total assets: MUR 68.9bn
- Increased stake in C-Care (Mauritius) Ltd (87.49%, through direct and indirect shareholding)
- Increased shareholding in CIEL Textile Limited to 100%

Manufactured Capital

- New LEED certified Aquarelle factory in India
- Launch of 7 new branches at BNI MADAGASCAR for a total of 82 branches
- Launch of a new solar farm in Mauritius by Alteo: Helios Beau Champ

Intellectual Capital

- Solid brands and reputation
- Systems and processes

Social & Relationship Capital

- 107 years track record
- Strategic partnerships

Natural Capital

- Strategically located
- beachfront land
- 2,800 hectares of land in Ferney, Mauritius
- Raw materials

OUR PURPOSE

FOR A WORLD WE CAN ALL FEEL PROUD OF

Our Ambition

Be or become the #1 or #2 in each of the industry we operate

Our Group Strategies

- Assets Optimisation
- Operational Excellence
- Regional Markets
- B2B2C – focus on Customer Satisfaction
- Talent Development
- Sustainability Leadership

Intellectual Capital

- Launch of new brands: C-Care, C-Lab and Ferney
- Launch of CIEL Finance Data Services company
- Aquarelle India developed a 100% recycled shirt

Social & Relationship Capital

- CIEL Limited listed on SEMSI, the Stock Exchange of Mauritius Sustainability Index
- Fondation CIEL Nouveau Regard contributed MUR 5.3M to community projects
- ACTogether.mu citizen platform gaining traction
- ACT for our Community employee programme up and running
- Successful 12th Edition of CIEL Ferney Trail with +3,400 participants

Natural Capital

- Tree planting programmes across all clusters, in Mauritius, India & Madagascar – more than 50,000 trees planted
- Ongoing endemic fauna and flora conservation programme at Ferney La Vallée in partnership with the Mauritian Government
- ACT for our Environment employee programme up and running

JEAN-PIERRE DALAIS
GROUP CHIEF EXECUTIVE

Group Chief Executive's Interview

What were the highlights of the financial year for you, and what is your take on this year's results?

This year, we delivered on our strategy by consolidating our assets, driving operational excellence, and carefully managing our capital expenditures and costs. Thanks in part to these efforts, the Group's operational performance was positive overall (+17% growth in EBITDA and +19% normalised profit).

- CIEL Textile, and its woven cluster in particular, delivered commendable results.
- CIEL Finance and its banking activities (BNI MADAGASCAR and Bank One) continued to perform well, although the cluster's overall results fell short of last year's. This was due to an impairment from a foreign non-performing loan which affected Bank One's performance.
- CIEL Healthcare has returned to profitability thanks to a sustained increase in occupancy at its Mauritian operations (C-Care).
- However, CIEL's financial performance was impacted by reduced profitability at SUN, our hospitality business, which saw a slight drop in profits compared to last year.
- Due to a global decline in sugar prices, our associate Alteo, posted significantly lower results than last year.

Considering the difficult operating environment we currently face, we have revalued certain assets including SUN's property in the Maldives and some of Alteo's industrial equipment in Mauritius. The resulting impairment led to CIEL posting net losses of MUR 1.2bn for the financial year. Despite this setback, we remain confident of CIEL's potential to generate improved profitability moving forward, and we are working hard to achieve this objective.

You have also executed two major corporate transactions this year, resulting in changes to your portfolio. Could you tell us about them?

During the year, CIEL completed two strategic corporate transactions: the buyout of all remaining CIEL Textile minority shareholders in August 2019, and the acquisition of Fortis' shares in C-Care.

"We remain confident of CIEL's potential to generate improved profitability moving forward, and we are working hard to achieve this objective".

As we now own 100% of CIEL Textile's share capital, we've delisted CIEL Textile from the Develop and Enterprise Market ("DEM"), which gives us more flexibility to pursue CIEL Textile's development whilst creating additional value for CIEL shareholders.

Our acquisition of C-Care reinforces our control of the company, which is now managed by CIEL's teams. C-Care turned a profit this year, after two difficult financial years and following its acquisition of Wellkin Hospital in January 2017. CIEL is now poised to strengthen its leadership in the healthcare industry while improving the availability and quality of clinical care in Mauritius.

What is your strategy for generating sustainable growth in the future?

CIEL is still in a consolidation phase. We continue to focus on six key issues:

1. Optimising our assets and performance with a focus on maximising our EBITDA and return on investment;
2. Driving operational excellence across the Group;
3. Consolidating our presence in selected regional markets;
4. Increasing our focus on service-oriented businesses – B2B and B2C – and on customer satisfaction;
5. Nurturing talent development; and
6. Embracing sustainability to give us a competitive edge.

This strategy has started to bear fruit when it comes to our operational performance. We will need to pursue it going forward and focus in particular on making better use of our underperforming assets, which are hindering our ability to grow. We will also concentrate our efforts on key growth sectors including Finance, Healthcare, and our newly created Property cluster. The latter will focus on generating cash from our underutilised assets.

Tell us more about your ambitions in the real estate sector.

We are creating a new Property cluster in order to develop CIEL Group's substantial land assets. These include 2,800 hectares of land in Ferney, close to Mauritius' international airport, as well as other underutilised assets such as land strategically located on the Mauritian coast and with considerable potential for development. In addition, we own a number of industrial assets on which we will seek to optimise returns.

You have invested substantially in Talent. Can you share progress made this year?

I am pleased to report that we have made significant progress on how we manage our human capital. This year, we ran a Group employee engagement survey, whose results were encouraging, particularly in our Hospitality and Textile clusters (85% and 91% engagement scores respectively).

We also launched a Group Executive Leadership Programme in partnership with HEC Business School. Twenty-five of the Group's most promising team members will complete the programme by the end of this calendar year and we expect to enroll another 75 of our top employees over the next three years. We launched or continued to roll out several other talent development initiatives within our clusters, including CIEL Textile's 361° Leadership and Management Academy, which aims to train every one of the business 18,000 employees over the next few years, and which is delivering very compelling results.

"We also launched a Group Executive Leadership Programme in partnership with HEC Business School. Twenty-five of the Group's most promising team members will complete the programme by the end of this calendar year and we expect to enroll another 75 of our top employees over the next three years".

What about sustainability, where do you stand on your sustainability journey initiated in 2015?

As for sustainability, I am pleased to report that we have delivered on our 2015-2020 strategy and action plan. We have established a solid sustainability governance structure across our businesses and made significant progress in a number of areas, including in energy efficiency, waste management and engaging with our people. However, much remains to be done and we are currently defining even more ambitious yet business-friendly objectives for our strategy to 2030.

Group Chief Executive's Interview (Cont'd)

CIEL has had a few leadership changes with the appointment of Hélène Echevin as CEO of CIEL Healthcare, Eric Dorchies as CEO Designate of CIEL Textile and François Eynaud as CEO of SUN. What is the reasoning behind these appointments?

We have exceptional and deeply committed teams in place across the Group and our businesses require strong leaders now more than ever. François Eynaud has a wealth of experience in the Hospitality sector, having previously been the CEO of a Mauritian Hospitality Group and successfully run that business. He also has a solid marketing background, which is a key priority for Sun Limited. Finally, he was previously at the head of CIEL Textile's Tropic Knits cluster for several years and therefore knows the Group well.

For her part, Hélène Echevin has been the driving force behind our healthcare business' turnaround. She is a leader of incredible energy and will now be able to focus 100% of her time on taking this sector to new heights.
And as for CIEL Textile, it is our responsibility to ensure that this new phase, in which we own the business in its entirety, is successful. I have complete faith in Eric Dorchies' ability to lead CIEL Textile to new heights of growth and development. He has done an amazing job of developing the Aquarelle business and is, I believe, ideally placed to roll out CIEL Textile's new digitalisation, human capital and sustainability strategies.

I would like to take this opportunity to thank all CIEL's leadership teams for their commitment and hard work. In particular, I would like to thank J. Harold Mayer, the outgoing CEO of CIEL Textile, who will step down from his post on the 30th of June 2020 after 30 remarkable years at the head of the business.

"We have exceptional and deeply committed teams in place across the Group".

How is the global economy impacting the CIEL Group?

The global economy is increasingly complex and interconnected, and macro-economic developments are quick to reach Mauritius. It's therefore crucial to both anticipate these developments and reduce our exposure to any one market in order to minimise the risks we face. We are keeping a close eye on global issues such as Brexit, the trade war between China and the USA, and currency volatility, all of which represent both a threat and an opportunity. Brexit, for instance, is negatively impacting our tourism and textile sectors, while the trade war between the USA and China represents an opportunity, as retailers are increasingly on the lookout for alternative suppliers outside of China. CIEL Textile is ideally positioned to serve these customers thanks to its factories based in the Mauritius-Madagascar region as well as in India and Bangladesh. Our teams are ready and waiting to respond to these new opportunities and challenges as they emerge.

What are the biggest risks that CIEL faces?

In addition to the global economic and political developments above, we are aware of a rise in cyberattacks worldwide. We have therefore reinforced our cybersecurity systems and are developing specific tools and processes to better manage cybersecurity risks moving forward.

Given that we operate in 15 different countries, the rise in political instability worldwide – and particularly in certain African countries – is also an issue of ongoing concern. However, the political situation in Madagascar, an economy to which we are considerably exposed, has changed following recent national elections. We are confident that the country will experience economic growth going forward and that CIEL will be well placed to make the most of these opportunities.

"We are aware of a rise in cyberattacks worldwide. We have therefore reinforced our cybersecurity systems and are developing specific tools and processes to better manage cybersecurity risks moving forward".

Finally, it is important for us to attract and develop the talent that we need for our businesses to thrive. We continue to invest in attracting top talent and our ambition is to be recognised as an employer of choice in the Indian Ocean region. In addition to our partnership with HEC Business School and the strong emphasis we place on training across the Group, we have also partnered with LinkedIn to develop a new recruitment platform, which is proving to be very effective.

What is the short and medium-term outlook for CIEL?

The outlook for CIEL in the coming financial year is promising despite the challenges we are currently facing. The tourism industry in Mauritius is performing less well than previously and the country's sugar industry is continuing to face headwinds due in part to persistently low sugar prices worldwide. Yet we are addressing these issues head on: Sun Limited, under the leadership of François Eynaud, its new CEO, is focusing much more intensely on its commercial capacity and marketing offers, while Alteo is currently restructuring to increase its productivity and boost profitability by tapping into its significant property assets.

The prospects for Textile, Finance and Healthcare are encouraging and we are confident about the clusters' performance this year. We will continue to pursue operational excellence in these clusters and across the Group in order to position ourselves as one of the region's leading diversified groups. I am confident that our efforts will be reflected in our performance in the coming years.

Group Strategy

	Associated KPIs
1. Optimise assets and performance with focus on EBITDA generation and return on capital employed	EBITDA Growth and Return on Capital Employed
2. Drive Operational Excellence across the Group	OPEX Dashboard
3. Consolidate our presence in selective regional markets	Share of Revenue & Profits from International Markets
4. Increase focus on services-oriented businesses – B2B2C – and customer satisfaction	Customer Satisfaction Scores
5. Nurture Talent Development	Employee Engagement Scores
6. Embrace sustainability for competitive edge	Non-Financial KPIs

Financial capital

Human capital

Intellectual capital

Manufactured capital

Social & relationship capital

Natural capital

Strategic Pillars	Progress this Year	Next Steps	Key Capitals Impacted	Key Risks Impacted	SDGs Tackled
Optimise assets and performance with focus on EBITDA generation and return on capital employed	• 17% EBIDTA growth compared to previous year • Increased shareholding in CIEL Textile to 100% • Stricter control on Cash Flow and Capex to focus on Free Cash Flow at cluster level • More stringent focus on achieving budget and forecast • Implemented new Group guidelines and KPIs for: – Budget development – Risk management – Investment policies • New refinancing note program launched	• Creation of a new Property cluster and appointment of dedicated CEO and team to unlock value around Group non-core Property Assets • Continued focus on EBIDTA, Free Cash Flow and Return on Capital Employed		1 2 3 4 9 10 12 13	8
Drive Operational Excellence across the Group	• Set up of Operational Excellence committees in all clusters with reporting to their respective Board of Directors • Development of a common Operational Excellence dashboard with clear goals and KPIs • Improved sharing of best practices through Group functional forums (Finance, HR, MARCOM, Digital, CSR, Sustainability, etc.) • Launch of the first CIEL Innovation Awards recognising top Quality Circles and Strategic Innovations	• Monitor Operational Excellence governance and progress • Pursue Group Forum dynamics • Deploy CIEL Innovation Awards across organisation		5 6 8 9 11	8 9 12
Consolidate our presence in selective regional markets	• Roll-out of new Aquarelle Factory in India • Consolidation of Textile operations in Madagascar and India • Expansion of BNI MADAGASCAR retail branch network in Madagascar • Good results from Alteo East Africa operations	• Consolidate our presence in regional markets by increasing efficiency and profitability of existing assets • Investment analysis to identify future opportunities in emerging markets, particularly in finance and healthcare		1 2 3 4 9 12 13	8 9 17

Group Strategy (Cont'd)

Strategic Pillars	Progress this Year	Next Steps	Key Capitals Impacted	Key Risks Impacted	SDGs Tackled
Increase focus on services-oriented businesses – B2B2C – and customer satisfaction	• Increased shareholding in C-Care (Mauritius) Ltd from 58.6% to 87.5% (through direct and indirect shareholding) • Focus on front-end efforts, even in B2B businesses such as Textile • Adoption of technology to improve customer experience (3D sampling in textile, mobile banking in Finance, online experience in hotels, new Hospital Information System at C-Care, renovation of hotels - Sugar Beach rooms and Long Beach facilities, etc.)	• Continue to improve customer satisfaction across clusters • Embrace technology and digitalisation for enhanced customer experience		2 5 6 11 12 14	8 9
Nurture Talent Development	• Completion of an Employee Engagement Survey Group-wide to better understand employees' perception and address issues; Deployment of subsequent action plans • Unprecedented investment in our people across all Clusters with a focus on Technical and Leadership Development • Launch of the first CIEL-HEC Leadership Programme with the view to train 100 top talents within 4 years, in partnership with HEC Business School • Enhanced employer brand through CIEL LinkedIn Platform • Launch of a pilot International Graduate Programme at CIEL Textile level to source top talents internationally	• Pursue journey to become an Employer of Choice • Enhance the quality of our people processes across Clusters • Invest in the capability and competency of HR Teams • Digitalisation of HR processes with focus on Recruitment and Selection		5	3 4 8 9
Embrace sustainability for competitive edge	• Completion of CIEL Sustainability Action plan 2015-2020 ahead of schedule • Adoption of Group non-financial KPIs • Launch of Group Sustainability workshops, creating a stronger sustainability champions' community within the Group	• Definition of the next Group Sustainability Strategy and Action Plan for 2020-2030		8 11	ALL

Strategic Timeline

2019 -2021

Consolidate positions within clusters
and ensure operational improvements

2022 - 2024

Deploy in new countries in Africa
and accelerate performance

L. J. JÉRÔME DE CHASTEAUNEUF
GROUP FINANCE DIRECTOR

Group Finance Director's Review

"Normalised EBITDA stood at MUR 3.44bn while normalised Profit after Tax was MUR 1.30bn – an annual growth of 17% and 19% respectively. Non-cash impairments of MUR 2.50bn were borne by the Group this financial year".

Resilient performance in a difficult and complex macroeconomic environment

Group revenue for the year ended 30 June 2019 rose by 7% to MUR 24.21bn (2018: MUR 22.61bn) and Normalised Earnings before Interest, Taxes, Depreciation and Amortisation ('EBITDA') recorded a double-digit increase of 17% to reach MUR 3.44bn (2018: MUR 2.95bn). This led to an EBITDA margin of 14.2%, a 1.1 percentage point gain over the previous financial year.

Group normalised profit after tax stood at MUR 1.31bn, a 19% increase compared to prior year (2018: MUR 1.09bn). The financial results were impacted by non-cash impairments and related tax charges of MUR 2.50bn at the level of subsidiaries and associates. In the financial year ended 30 June 2019, the Group faced several challenges notably in the agro, tourism and healthcare industries. The domestic market remains under significant stress with persistent low sugar prices which had a negative impact on the Mauritian sugar operations of Alteo. Our Hotels & Resorts cluster is affected by low growth in tourist arrivals in Mauritius, growing uncertainties around Brexit, slower than projected economic growth in Europe, geopolitical tensions and a reduction in air traffic out of Asia are projected to affect SUN. The Healthcare cluster's operations in Nigeria and Uganda also face difficult market conditions and as a result, various non-cash impairment charges were recorded at cluster level and this led to a Group reported loss after tax of MUR 1.19bn (June 2018: Profit of MUR 1.09bn). CIEL Group's loss attributable to ordinary shareholders stood at MUR 860M (2018: Profit of MUR 428M) for the year under review.

Cash flow from operating activities before working capital movements fell slightly from MUR 2,106M to MUR 2,023M despite the 17% increase in EBITDA mainly due to higher tax payments by BNI MADAGASCAR due to changes in local tax legislations and other non-cash items such as provision for debtors following the implementation of IFRS 9 and revaluation gains on disposal of financial and non-financial assets.

At Company level, the Net Asset Value ('NAV') per share stood lower at MUR 7.02 (30 June 2018: MUR 8.49) reflecting mainly the fall in the share price of most listed entities within the Group's portfolio with the exception of the listed investment in the Healthcare cluster (C-Care (Mauritius) Ltd ('C-Care')).

At Group level, the NAV per share dropped by 11 percentage points to MUR 7.79 (30 June 2018: MUR 8.76) mainly due to the depletion of equity by the total Group losses recorded in the financial year.

Our net interest-bearing debt position remained almost at par with prior year at MUR 15,522M (2018: MUR 15,498M) while our gearing ratio stood at 41.2% (2018: 38.5%) – a slight increase mainly attributable to the fall in the Group's equity due to the negative comprehensive income recorded during the year. Our debt to normalised EBITDA ratio improved from 5.2 to 4.5.

Dividend per share rose to 21 cents compared to 20 cents per share in prior year.

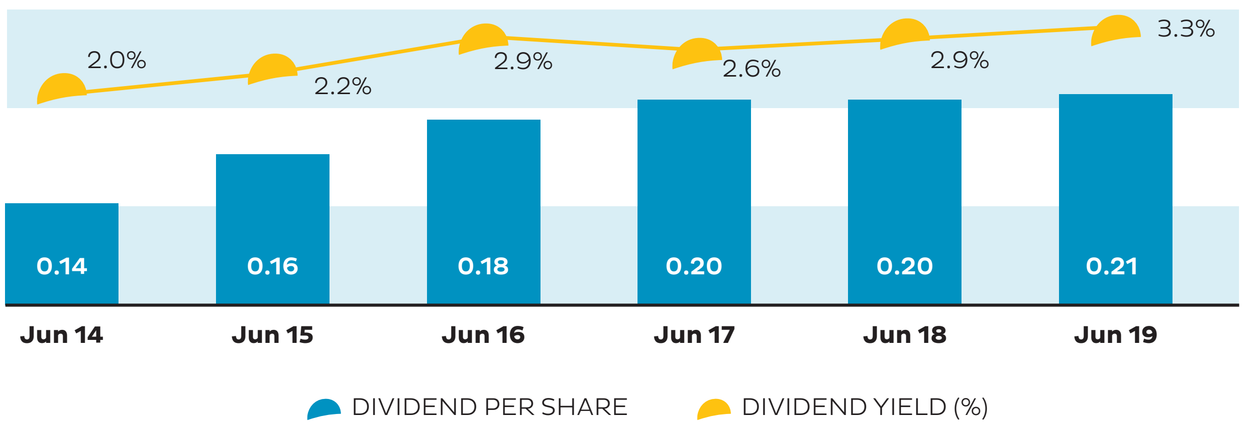
+7%
Group Revenue
MUR 24.21bn

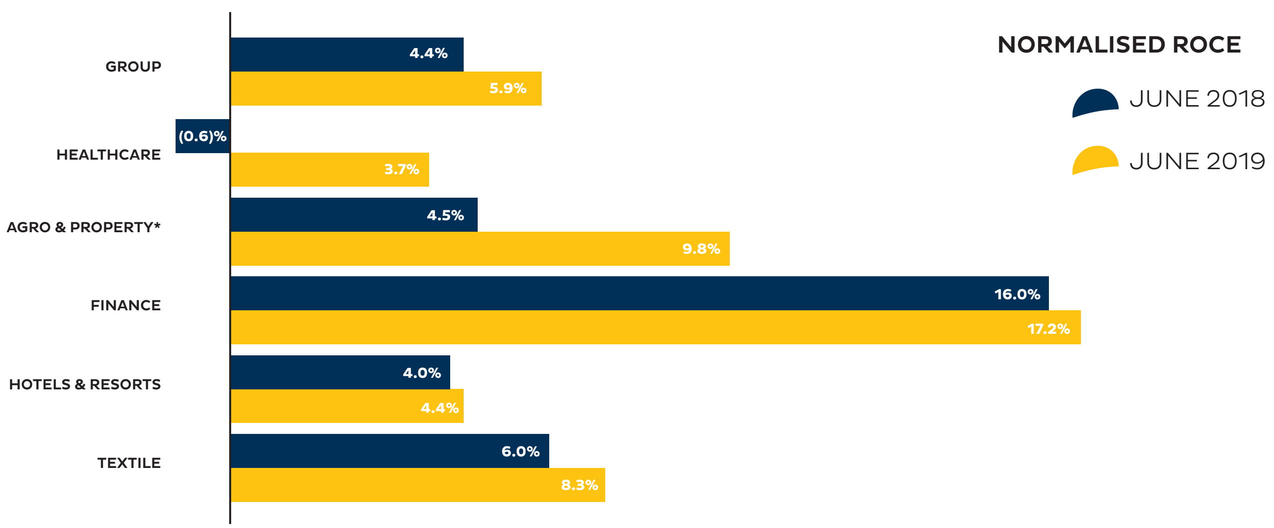
+17%
Group EBITDA
MUR 3.44bn

+19%
Normalised Profit After Tax
MUR 1.30bn

+1.5pts
Normalised Return on Capital Employed
5.9%

Shareholders' Return Information





The Group remains focused on the optimisation of Return on Capital Employed at cluster level as well as Group level

*Agro & Property excludes Alteo which is an associate

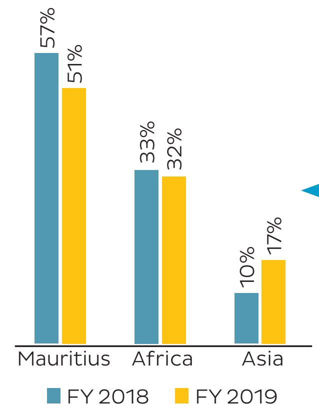
Group Finance Director's Review (Cont'd)

Condensed statement of comprehensive income	Change			
MUR 'M	**%**	**2019**	**2018**	**2017**
Revenue	7%	**24,206**	22,608	20,661
Normalised Earnings Before Interests, Taxation, Depreciation, Amortisation (EBITDA)*	17%	**3,443**	2,953	2,845
Depreciation and amortisation	4%	**(1,216)**	(1,166)	(976)
Normalised Earnings Before Interests and Taxation (EBIT)	25%	**2,227**	1,787	1,869
Impairment of Goodwill and Non-Current Assets		**(2,078)**	0	0
Finance income	19%	**32**	27	38
Finance costs	4%	**(813)**	(781)	(725)
Share of results of joint ventures net of tax	-41%	**161**	272	140
Share of results of associates net of tax	-482%	**(283)**	74	88
(Loss)/Profit before tax	-155%	**(754)**	1,379	1,411
Taxation	51%	**(435)**	(289)	(292)
(Loss)/Profit after tax	-209%	**(1,189)**	**1,090**	**1,119**
(Loss)/Profit attributable to:				
Owners of the Parent	-295%	**(860)**	442	459
Non controlling interests	-151%	**(329)**	648	662
		(1,189)	**1,090**	**1,120**
Additional information:				
Normalised profit after tax	20%	**1,307**	1,090	1,120
Key Ratios				
Basic and diluted (loss)/earnings per share (MUR)		**(0.52)**	0.27	0.30
Dividend per share (MUR)		**0.21**	0.20	0.20
EBITDA Margin		**14.2%**	13.1%	13.8%

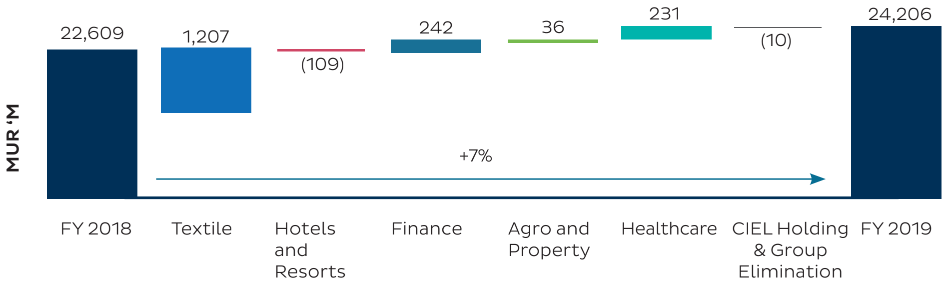
Normalised profit can be reconciled to (loss)/profit after tax by excluding the following impairment charges:

- MUR 1.9bn impairment on goodwill, relating mainly to SUN's luxury resort, Kanuhura (Maldives) due to the downward revision of cash flow & profit projections attributable to slower growth worldwide and strong competition in the Maldives tourism industry.
- MUR 192M impairment on the Healthcare sector's Nigerian and Ugandan operations due to the downward projection of financial forecast arising from the difficult economic conditions prevailing in these countries and persisting operational challenges.
- MUR 212M corresponding to the prorated share of the impairment taken at Alteo level. This charge mainly relates to bearer biological assets, milling and refining equipment spare parts and other idle milling equipment in Mauritius. The impairment has been booked to reflect current and forecast low sugar prices, lower sugar feedstock available for refining and the limited market for second-hand milling equipment.
- MUR 48M corresponding to CIEL's share in the impairment charge of an investment in Kibo Fund Llc ('KIBO') - CIEL Finance's private equity arm.

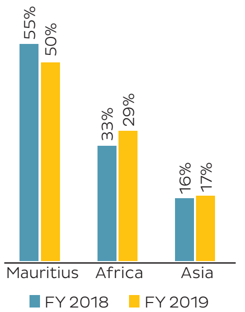
Normalised PAT by Geographical Area



Group revenue for the year ended 30 June 2019 rose by 7 % to MUR 24.21bn (2018: MUR 22.61bn) primarily due to the strong performance of CIEL Textile Limited ("CTL") with the Woven segment (Aquarelle) standing as leading performer owing to its Indian and Regional (Mauritius and Madagascar) operations which are well positioned in the market and consistently delivering outstanding customer satisfaction. The Finance cluster's banking activity – BNI MADAGASCAR – contributed positively to the increase in revenue in addition to the good performance of the Healthcare cluster in Mauritius on the back of higher occupancy rates at Wellkin Hospital ('Wellkin') and Clinique Darné ('CD') and enhanced synergies between the two hospitals.

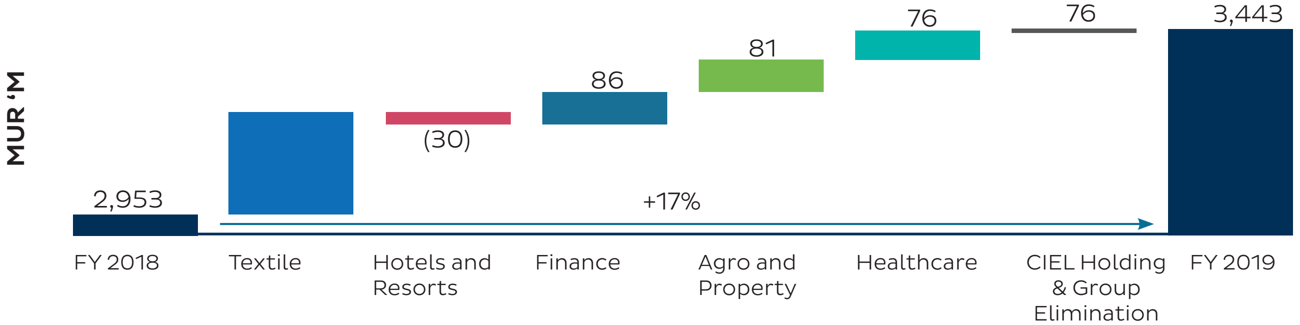


Revenue* by Geographical Area



*Does not include revenue from Alteo, other associates and Joint Ventures

The double-digit growth in EBITDA for the period under review is mainly attributable to the increased contribution from the Woven segment of CTL, the higher net interest income from BNI MADAGASCAR in the Finance cluster and the improvement in C-Care's operations. Ferney benefitted from sales of non-core land which led to an increase in the EBITDA of the Agro & Property cluster. SUN managed to achieve a 5% growth in average daily rate in challenging market conditions despite a slight decrease of 3.6% in occupancy rate mainly due to the renovation works at its Sugar Beach resort (Mauritius) which started in the financial year.



The decrease in the share of results of joint ventures is mainly attributable to the one-off impairment of a foreign non-performing loan at Bank One. The underlying operational performance of Bank One remains strong.

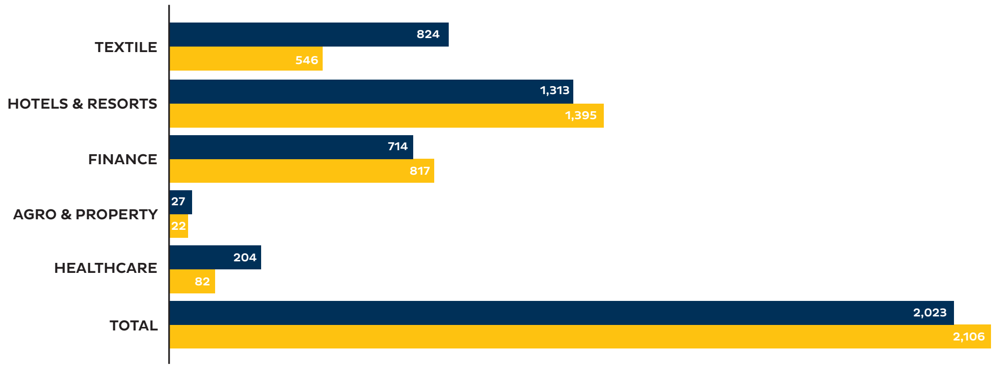
The decrease in the share of results of associates is primarily driven by the lower results of Alteo in the Agro & Property cluster affected by the difficult Mauritian sugar operations which suffered considerable asset impairment charges resulting mainly from the adverse sugar prices, lower sugar feedstock for refining and the inability to sell second-hand milling equipment. The improved performance of Alteo's Eastern African operations and property cluster sales somehow mitigated the negative impact of lower sugar prices in Mauritius. The Healthcare cluster was also impacted by the impairment of its Nigerian associated undertaking in view of the forecast economic and operational challenges therein. An underlying investment at KIBO, the private equity arm of the Finance cluster, was also impaired during the period under review.

Group Finance Director's Review (Cont'd)

Condensed statement of financial position			
MUR 'M	**2019**	**2018**	**2017**
ASSETS			
Non-Current assets	**35,114**	37,601	36,332
Current assets	**16,260**	15,902	13,045
Non-current assets classified as held for sale	**13**	91	50
Total non specific banking assets	**51,387**	53,594	49,427
Total specific banking assets	**17,598**	15,291	13,686
TOTAL ASSETS	**68,985**	68,885	63,113
EQUITY AND LIABILITIES			
Capital and Reserves			
Equity	**22,131**	24,748	23,377
Total non specific banking liabilities	**26,775**	25,181	23,759
Specific banking liabilities*	**20,079**	18,956	15,977
TOTAL EQUITY AND LIABILITIES	**68,985**	68,885	63,113
* Specific banking liabilities relate to deposits from customers of BNI MADAGASCAR			

Key Ratios			
Cash flow from operating activities before working capital movements	**2,023**	2,106	1,748
Net Asset Value per Share (Group)	**7.79**	8.76	8.94
Net Asset Value per Share (Company)	**7.02**	8.49	9.31
Net Interest Bearing Debt	**15,522**	15,498	15,229
Gearing = Debt/(Debt+Equity)	**41.2%**	38.5%	39.4%
Debt to Normalised EBITDA (times)	**4.5**	5.2	5.4
Capital Employed	**37,652**	40,246	38,606
Normalised ROCE	**5.9%**	4.4%	4.8%
Normalised ROE	**5.9%**	4.4%	4.8%
Normalised Return on Assets	**1.9%**	1.6%	1.8%
Market Capitalisation	**10,460**	11,500	11,756

Cash flow from operating activities before working capital movements fell by 3.9% and stood at MUR 2,023M – a fall mainly attributable to the Finance cluster which saw recent changes in Malagasy tax laws which resulted in higher tax payments at BNI MADAGASCAR.



Cash flow from operating activities before working capital movements

The impairment of goodwill of Kanuhura, Maldives, has contributed to the fall in our % share of non-current assets in Africa from 34% to 31%.

Non Current Assets by Geographical Area 30 June 2019 - MUR 42.0bn

All listed subsidiaries are valued at market price except for SUN which is valued at market price plus a 10% premium.

The Company's investment portfolio fell 12.5 percentage points from MUR 16,165M in June 2018 to MUR 14,141M in June 2019 mainly due to a fall in the share price of most listed entities except C-Care.

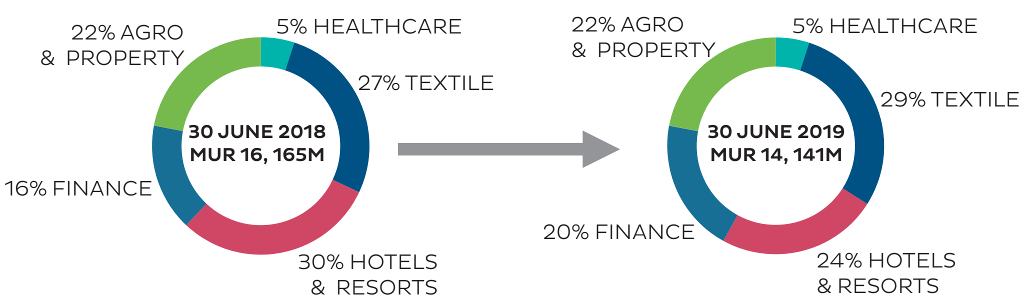
CTL's share price dropped from MUR 48 as at 30 June 2018 to MUR 44 as at 30 June 2019.

The Hotels & Resorts cluster's lower contribution to the portfolio is due to SUN's drop in share price from MUR 51 to MUR 35 over the year ended 30 June 2019.

There has been a slight increase in the Finance cluster's portfolio valuation mainly owing to the improved valuation of the two banks within the portfolio.

Alteo's (Agro & Property cluster) share price fell by 25% from MUR 25.17 as at 30 June 2018 to MUR 18.80 as at 30 June 2019.

The Healthcare cluster's value has contributed positively to the portfolio owing to the increase in the share price of C-Care from MUR 2.65 in June 2018 to MUR 2.84 in June 2019.

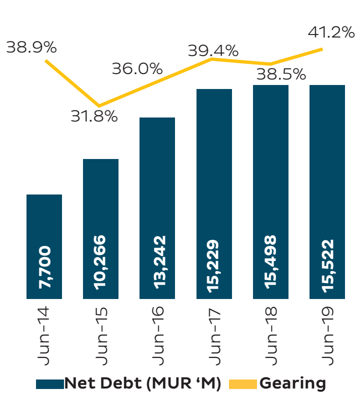


There was a slight increase in CIEL's gearing ratio from 38.5% as at June 2018 to 41.2% as at June 2019 mainly due to fall of MUR 1.93bn in comprehensive income for the year ended 30 June 2019 which has reduced the equity of the Group.

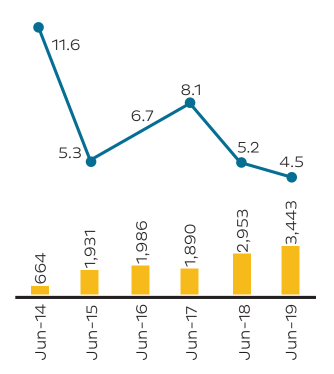
Moreover, additional short-term debt was taken by mainly the Textile cluster to finance capital expenditure and to a lesser extent, CIEL Limited and the Healthcare cluster for working capital requirements.

Performance improvement measures continue to be implemented across all clusters to help improve the Group's cash position, the consolidated gearing ratio and net indebtedness while closely controlling capital expenditure projects.

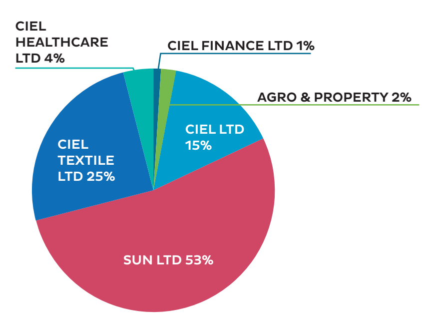
Net Debt & Gearing



Net Debt to EBITDA



Net Debt by cluster



Group Finance Director's Review (Cont'd)

Accounting changes

The Group adopted IFRS 9 and IFRS 15 from 1 July 2018 without any restatement of the 2018 comparative numbers. The IFRS 9 Expected Credit Loss ('ECL') model increased reserves by approximately MUR 13M on an after-tax basis. IFRS 15 replaced all existing revenue recognition requirements in IFRS and applied to all revenue arising from contracts with clients, unless the contracts were in the scope of the standards on leases, insurance contracts and financial instruments. As a result of the implementation of IFRS 15, reserves at 1 July 2018 decreased by approximately MUR 19M on an after-tax basis.

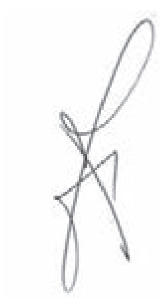
IFRS 16 deals with the accounting for leases and replaces IAS 17 for reporting periods beginning on or after 1 July 2019. The Group has elected to apply IFRS 16 retrospectively using the Modified Approach. The group will therefore not restate comparative periods, which will continue to be presented in terms of IAS 17, with a transitional adjustment made at 1 July 2019. The implementation of IFRS 16 results in the recognition of lease liabilities of MUR 3.64bn and right-of-use assets of MUR 3.10bn, with equity increasing by approximately MUR 537M gross of tax.

The Outlook

Going forward, CIEL is confident in its ability to sustain EBITDA growth across its portfolio. CIEL will continue its focus on selective capital allocation to enhance free cash flow generation. Through strict controls on capital expenditure and better working capital management within the Group, our objective is to maximise free cash flow, improve profitability, aim for an even lower debt to EBITDA ratio and achieve a healthy gearing ratio.

Appreciation

To my colleagues on the board and the group executive team, thank you for your support and ongoing counsel during the year. Thank you to the dedicated and hardworking finance teams across the group for ensuring that we maintain our high standards and professionalism. I also thank all our shareholders and the broader investment community both locally and internationally for your continued investment and interest in CIEL.



L. J. Jérôme de Chasteauneuf
Group Finance Director

Human Capital Report

Dev Sewgobind
Group Head of Human Resources

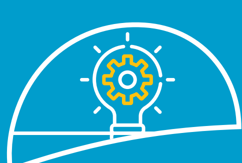
With 33,000 employees as at 30 June 2019, CIEL remains a truly strong regional and global player with 54% of its workforce being based in Asia and Africa. The women continue to play a significant role within the Group with 42% of employees being female. The key highlight remains the appointment of the first ever woman CEO for one of the five clusters of the Group, namely CIEL Healthcare. CIEL can also pride itself of a young workforce; with an average age of 36 years and with a very healthy turnover of 8%, CIEL is a dynamic organisation where young talent can aspire to grow their career.

Our People in Numbers

33,000
Employees working for the Group across our 5 Clusters

54%
Of our workforce in Asia And Africa

42%
Women are empowered to work in CIEL



Young and Dynamic workforce with an average age of
36 years

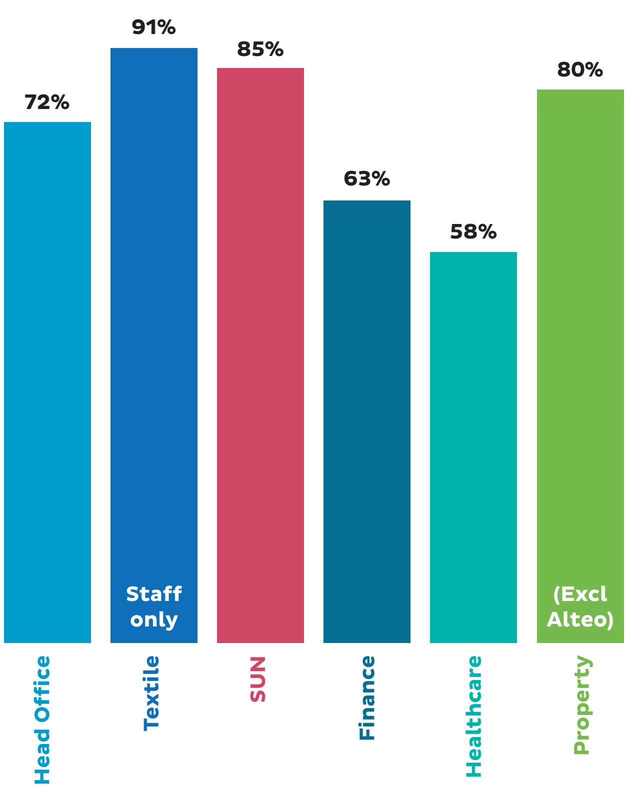
8%
Employee Turnover within CIEL

Human Capital Report (Cont'd)

Nurturing Employee Engagement

The employee engagement journey started in 2018 with the very first engagement survey, which has now been extended to all the clusters of the Group. We have witnessed an unprecedented participation rate of above 90% covering more that 7,800 employees, and, compared to 2018, an improvement in the overall engagement score was noted for the Group, moving from 73% to 76%. CIEL Textile and SUN recorded world-class scores of 91% and 85% of employee engagement respectively. Leadership teams across business units continue to work on the feedback received, translating them into action plans and KPI's with a view of ensuring further progress.

Recognition of our colleagues is a key driver to enhance employee engagement and operational excellence. The CIEL Innovation awards was launched to create a platform for sharing of best practices across clusters and to create a culture of collaborative innovation, but most importantly, to recognise the exceptional contribution of our colleagues across businesses and geographies. Whilst the concept of recognition is already well embedded within CIEL Textile with the Chairman Manufacturing Excellence Award and the Chairman Front-End Award, the SUN Excellence Award has also been launched for the first time for the Hotels and Resorts Cluster. The ambition is to extend the award initiatives for CIEL Finance and CIEL Healthcare cluster over the next two years.

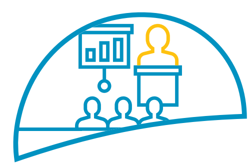


Employee Engagement Scores

Investing in our People and in Leadership Development

The number of training hours delivered within the Group amounted to an all-time high of 432,000 hrs for 2019, representing an increase of 12.5% compared to last financial year. CIEL believes that great leaders will deliver great employee engagement, which in turn, will lead to great business results.

As such, 16% of our training hours accounted for leadership development. The flagship programme has been the implementation of the CIEL Leadership Programme, developed in collaboration with one of the leading executive education and business school, namely HEC Paris. The programme was officially launched in March 2019, for our top talents and the intention is to train more than 100 top talents over the next 4 years.



> 400,000

training hours invested to grow our people

16%

training hours dedicated to Leadership Development

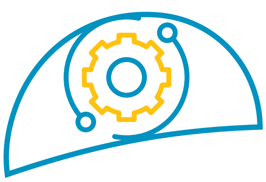
7

average years of service in CIEL

The CIEL Textile 361° Leadership and Management Academy has continued to progress smoothly across its various businesses and geographies, including the launch of the 'Roots to Routes' programme to further promote excellence at grassroots. The launch of the International Graduate Programme, on a pilot basis in India, is also a pioneering initiative for CIEL Textile and the objective is to develop future senior leaders for the cluster in the next 10 years.

The 2-year leadership development journey for SUN, namely the SUNSHINE Leadership Programme with the objective of creating a winning well leadership culture, has entered its second phase. CIEL Healthcare also implemented an internally developed programme, namely the Navigator Series, with a focus on developing basic leadership and managerial capabilities at supervisory and mid-management level. This programme also reflected positively in the increasing level of collaboration across clusters with senior leaders of the Group delivering training modules for the Navigator series.

In the quest to deliver our core value of operational excellence, it is noteworthy that 80% of our training delivered related to the development of the technical capabilities of our teams.



80%

of training hours delivered dedicated to enhance the technical capabilities of our people

Employer Brand

Our focus to build the CIEL Employer Brand has continued with key initiatives implemented to enhance the overall appeal of our Group towards top talents. This has translated in an increased level of collaboration and sourcing via our talent acquisition platform namely LinkedIn and as such, CIEL has been recognised as the Best Employer Brand in Sub-Saharan Africa by LinkedIn. Collaboration with key universities on the island, including the forthcoming implementation of a MoU with the African Leadership University for example, has been central to our approach to create more awareness and interest in our Group.

HR Capabilities and Management Infrastructure

Our efforts to create more HR alignment and sharing of best practices across the Business Units have continued through the implementation of common projects such as the Engagement Survey, Common Competency Framework and Succession Planning methodologies amongst others. The quality of HR Teams has been further enhanced through the recruitment of Top Talents, internal promotions and customised HR training programmes. CIEL also developed its first People Dashboard harnessing on the data available across the various Clusters.

Looking Ahead

In our journey to become an employer of choice, the Group will continue to build on the strong foundations that have been set and the key focus areas will be:

1. Positively contributing to the overall sustainability agenda of the Group through the implementation of core HR standards and practices;
2. Continuously exploring and identifying opportunities to digitalise key HR processes with a specific focus on Recruitment and Performance Management;
3. Enhancing employee experience through Group initiatives such as cross-cluster exposure, loyalty programmes and common training curriculums.

CLUSTER
REVIEW

"CIEL's objective is to excel in each of its five operational clusters
to establish itself as a regional leader
and successfully expand abroad".

Jean-Pierre Dalais, CIEL Group Chief Executive

Cluster Review

CIEL TEXTILE

Key Metrics as at 30 June 2019

Cluster Revenue
MUR **12,151** M

Normalised Profit After Tax
MUR **453**

Normalised EBITDA
MUR **1,025** M

Total Number of Employees Trained
11,702

Total Number of Training Hours
263,465

Employee Engagement Score
91%

Market Dynamics

- High currency volatility – particularly the South African Rand impacting on our margins
- Uncertainty around Brexit and depreciation of the Pound impacting on demand from UK market
- Adoption of new Workers' Right bills in Mauritius, weighting on labour cost
- Relative political stability in Madagascar following General Elections, thus facilitating our business operations in the country
- US-China trading war benefitting our positioning as "the best alternative to China"
- Rising demand for sustainable products and multi-product manufacturers which is favourable to CIEL Textile

KEY ACHIEVEMENTS IN FY2019

Financial Capital

- Revenue: MUR 12,151M
- Normalised Profit After Tax: MUR 453M
- Delisting from the Stock Exchange of Mauritius and now operating as a private company, 100% owned by CIEL

Human Capital

- Employee Engagement Score of 91%
- Successful implementation of MOE 361° Leadership Academy with 306 employees certified
- Launch of CIEL Textile International Graduate Program in partnership with National Institute of Fashion Technology in India

Social & Relationships Capital

- Strong employee participation at Act for our Environment and Act for our Community programmes
- Tropic Knits founding signatory of the UN Fashion Industry Charter for Climate Action at COP24
- Active participation within Sustainable Apparel Coalition and with customers and partners

Manufactured Capital

- 36M garments
- New LEED certified Aquarelle factory in India
- Excellent year for Aquarelle Group, particularly for Laguna Clothing (formal shirts)
- New Laguna factory under construction in Ranchi, North East India

Intellectual Capital

- Innovative sustainable products designed and introduced by Aquarelle (100% recycled shirt), Floreal (from waste to wear sweater) and Tropic (pilot Eco-Index launched)

Natural Capital

- Adoption of the HIGG index framework and clear sustainability strategy and action plan to reduce environmental footprint and carbon emissions.
- 48,344 trees replanted

Strategic Directions

Markets

- Continue to target mid to upper level segments with high-quality expectations, differentiating ourselves from Asian competition
- Balance portfolio with new e-commerce and hybrid brand retailers
- Leverage on USA market new opportunities
- Pursue growth in and from Asia

Operational Excellence

- Ensure continuous operational excellence across all 20 production sites

Talent Management

- Ensure successful leadership transition with reorganisation of top management team
- Launch of International Graduate Programme to secure top talents and upskilling of existing employees through MOE 361° Leadership Academy and Excellence at Grassroots programmes

Cross-Selling Marketing Approach

- Encourage product cross-selling across business units through a rebranding exercise (alignment of CIEL Textile brands) and the development of common tools
- Review of marketing structure

Digitalisation & Automation

- Reducing sample approval lead time by growing 3D sampling capabilities
- Improving efficiency with automated machines

Sustainability Leadership

- First sustainability report according to GRI guidelines by 2020, working on sustainable product design, supply chain transparency and operational efficiencies

Cluster Review (Cont'd)

CIEL FINANCE

Key Metrics as at 30 June 2019

Cluster Revenue
MUR **2,853** M

Normalised Profit After Tax
MUR **710**

Normalised EBITDA
MUR **891** M

Total Number of Employees Trained
1,458

Total Number of Training Hours
37,454

Employee Engagement Score
63%

Market Dynamics

- Risks weighing on the offshore sector (changes to the Global Business regulatory and tax framework; continued pressure from OECD, the European Union, India and African countries) have intensified and may negatively impact both the offshore sector and the Segment B banking business
- Segment A is also under pressure due to increased controls over fee structure and to additional tax levy
- Political stability in Madagascar promoting a more business-friendly environment

KEY ACHIEVEMENTS IN FY2019

Financial Capital

- Revenue: MUR 2,853M
- Normalised Profit After Tax: MUR 710M

Human Capital

- Improvement in the Employee Engagement Score at an average score of 63%

Social & Relationships Capital

- Customer satisfaction score NPS:
  - Bank One: 22%
  - BNI MADAGASCAR: 28%
- CSR engagements:
  - Bank One - CARE Community & partnership with Leal for financing of hybrid electric cars at preferential rate.
  - BNI MADAGASCAR & KRED: leading actors in the presidential program Fihariana, launched to give support to small entrepreneurs and farmers
  - BNI MADAGASCAR: PEJAA programme for young entrepreneurs, with the African Development Bank and the Ministry of Agriculture, Livestock and Fisheries

Manufactured Capital

- Launch of 7 new branches at BNI MADAGASCAR for a total of 82 branches
- Upgrade of the Core Banking System at Bank One

Intellectual Capital

- Launch of KRED, BNI MADAGASCAR's microcredit solutions in partnership with TELMA
- Launch of CIEL Finance Data Services Ltd, which assists Group companies in adopting a data-driven culture, allowing them to gain valuable insights and operational business intelligence
- Launch of BNI P@Y, an exclusive e-commerce platform by BNI MADAGASCAR
- Launch of the One Alliance Club by Bank One, where Bank One cardholders can enjoy exclusive discounts at hotels, spas, restaurants and shops, and on a variety of activities

Natural Capital

- Tree planting programmes in Mauritius and Madagascar

Strategic Directions

Bank One

- Complete the reinforcement of Bank One's management team
- Deploy innovative solutions, including progressively more structured products at international banking
- Increase market share in retail banking business through new distribution channels and products as well as embarking on a digitalisation process
- Diversify the geographical reach of private and international banking

BNI MADAGASCAR

- Develop more aggressively retail banking arm whilst maintaining the number 1 position on the corporate segment
- Implement the first e-commerce offer in Madagascar / Keep an edge as the most innovative bank on the market
- Market new products being developed (mobile banking and microfinance for SMEs) to enhance financial inclusion

MITCO

- Complete the turnaround, whilst factoring on-going tax and regulatory changes

IPRO

- Complete the restructuring plan and implement revised strategy focused on discretionary portfolio management to High Net Worth clients and local investors as well as grow the size of IPRO Growth Fund

Kibo Capital Partners / KIBO FUNDS

- Successfully manage the private equity funds' exits (end of process for Kibo I / start of process for Kibo II)
- Launch of Kibo III Fund

Cluster Review (Cont'd)

CIEL HOTELS & RESORTS

Key Metrics as at 30 June 2019

Cluster Revenue
MUR 6,615 M

Normalised Profit After Tax
MUR 40 M

Normalised EBITDA
MUR 1,26 M

Total Number of Employees Trained
3,327

Total Number of Training Hours
115,603

Employee Engagement Score
85%

Market Dynamics

- Low growth of tourist arrivals to Mauritius
- Economic slowdown in our main source markets (Germany, UK and South Africa)
- Negative impact of BREXIT and the UK pounds exchange rate
- New Workers' Bill in Mauritius weighting on labour costs
- Air seats capacity reduction from China to Mauritius
- Rise in travellers' expectations: looking for more meaningful and personalised experiences
- Rise in Sustainable Tourism
- Ageing population in our traditional markets v/s rise of millenial travellers
- Rise of the sharing economy and AirBnB
- Traditional Tour Operators under threats
- Growth of new markets

KEY ACHIEVEMENTS IN FY2019

Financial Capital

- Revenue: MUR 6,615M
- Normalised Profit After Tax: MUR 40M

Human Capital

- Appointment of François Eynaud as CEO of SUN
- Progression in Employee Engagement Score (from 76% to 85%)
- Leadership Training (Total number of training hours: 115,603)
- Launch of SUN Excellence Award in line with Operational Excellence strategy

Social & Relationships Capital

- Partnership with Global Hotel Alliance, the world's largest alliance of independent hotel brands
- Joint Venture between Marietton and SOLEA (Tour Operators)
- Launch of University of Mauritius research on guest behavior
- Launch of SUNCARE NGO

Manufactured Capital

- Major renovation of Sugar Beach
- Soft renovation of Long Beach

Intellectual Capital

- Launch of Sun Resorts mobile app
- Acquisition of Harris Wilson brand representation through acquisition of CIEL Textile Retail
- Implementation of a new Payroll system
- Launch of an online check-in system
- Automation of inventory position for central reservation system
- Launch of SUN's intranet

Natural Capital

- Launch of SUNCARE guest voluntary contribution programme
- Launch of the CEO Water Mandate
- Launch of Marine Coral farming at La Pirogue Resort

Strategic Directions

- New CEO (François Eynaud) appointed on 1 September 2019

New CEO roadmap includes:

- Leveraging assets: high level of employee engagement and unique portfolio of renovated properties
- Strengthening the Group's market positioning with significantly enhanced sales and marketing efforts
- Enhancing the Group's resilience and value creation potential through increased focus on:
  - Cost management
  - Free Cash Flow
  - Net debt reduction / Deleveraging
  - Optimised capital allocation

Cluster Review (Cont'd)

CIEL HEALTHCARE

Key Metrics as at 30 June 2019

Cluster Revenue
MUR 2,495 M

Normalised Profit After Tax
MUR 49 M

Normalised EBITDA
MUR 207 M

Total Number of Employees Trained
1,249

Total Number of Training Hours
7,652

Employee Engagement Score
58%

Market Dynamics

- Growing needs in the healthcare industry in the East African region
- Mandatory Health scheme announced in Uganda for the entire population, yet to be implemented
- Health Scheme announced for civil servants in Mauritius, yet to be implemented
- New Workers' bill in Mauritius which could significantly affect wages' bill of the 2 hospitals
- Shortage of nurses in Mauritius and lack of specialised nurses
- Threat of competition

KEY ACHIEVEMENTS IN FY2019

Financial Capital

- Revenue: MUR 2,495M
- Normalised Profit After Tax: MUR 49M

Human Capital

- Appointment of Hélène Echevin as CEO of CIEL Healthcare on 1 July 2019
- C-Care management team assuming direct management of operations since 1 January 2019

Social & Relationships Capital

- Active support of the Indian Ocean Island Games 2019 as the Official Medical Partner
- Medical partner of the CIEL Ferney Trail
- Sponsoring of various patient/community initiatives including the Muscular Dystrophy Association in Mauritius

Manufactured Capital

Mauritius:

- New branding for Mauritian entities with the launch of C-Care and C-Lab
- New Hospital Information System implemented at Clinique Darné
- Launch of two C-Lab collection centres in Mauritius

Uganda:

- Great revamping of the hospital with the installation of new equipment, upgrading of the Operating Theatre section and empanelment of new doctors
- Opening of 3 new dispensaries

Intellectual Capital

- Launch of new C-Care brand family

Natural Capital

- Launch of the 'One Life One Tree' project, whereby an endemic tree is planted at Ferney La Vallée for every newborn at C-Care facilities

Strategic Directions

- Consolidate current assets and improve financial returns
- Focus on patient care and quality
- Grow number of international patients to Mauritius

C-Care (Mauritius) Ltd

- Focus on quality of care and patient experience
- Pursue operational excellence roadmap and control on cost
- Develop laboratory services through C-Lab brand roll-out and network of collection points across Mauritius
- Develop access to services through C-Care Clinics in the North and in the West
- Initiate extension of Clinique Darné, including oncology/radiotherapy services

IMG (Uganda)

- Turnaround International Hospital Kampala and improve occupancy with new equipment purchased
- Continue clinics expansion from 17 to 20
- Back office re-organisation of insurance business and better claim control

Hygeia (Nigeria)

- Repositioning of Apapa hospital into primary care unit
- Increase number of beds in new Ikoyi hospital
- Confirm and sustain the turnaround of insurance business

Cluster Review (Cont'd)

CIEL AGRO & PROPERTY

Key Metrics as at 30 June 2019

Cluster Revenue
MUR 142 M

Normalised Profit After Tax
MUR 149 M

Normalised EBITDA
MUR 144 M

Total Number of Employees Trained
863

Total Number of Training Hours
6,912

Employee Engagement Score (Ferney only)
80%

Market Dynamics

AGRO

- Low sugar prices for our Mauritian exports
- Rising production costs in Mauritius
- Good prospects of sugar production in Africa

PROPERTY

- Sustained interest in the Alteo's real estate offer by foreigners (Anahita) and Mauritians (local morcellement)

KEY ACHIEVEMENTS IN FY2019

Financial Capital

- Revenue: MUR 142M
- Normalised Profit After Tax: MUR 149M

Human Capital

- Employee engagement score of 80% (Ferney only)

Social & Relationships Capital

- Successful 12th Edition of CIEL Ferney Trail with +3,400 participants

Manufactured Capital

- 292,000 tonnes of sugar produced
- 273 GWh exported to national grids in 2019
- Launch of new solar plant in Mauritius

Intellectual Capital

- New Branding: Ferney – Reconnect with Nature

Natural Capital

- Ongoing efforts at La Vallee de Ferney Conservation Trust with the planting of approx. 5,000 endemic trees per year

Strategic Directions

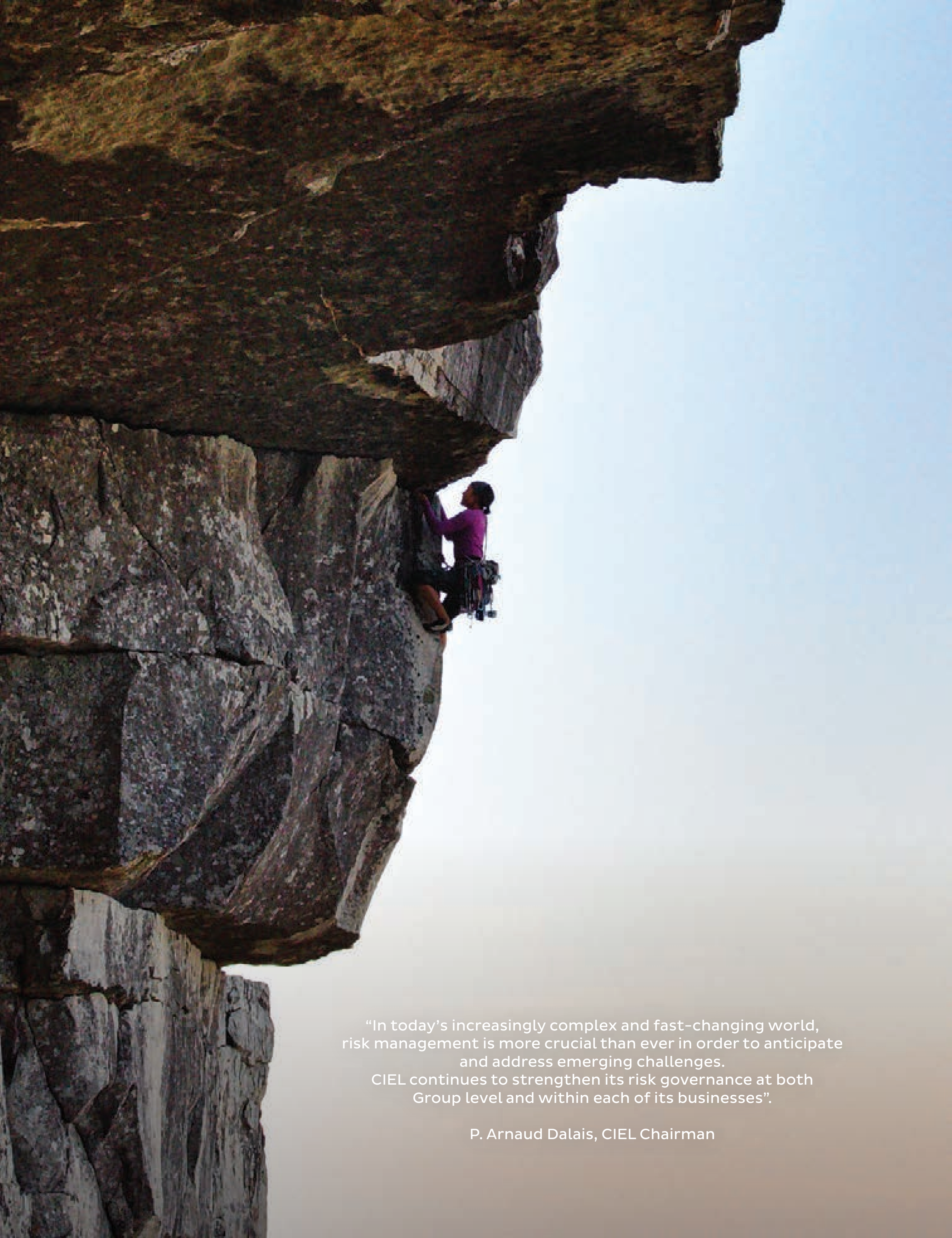
Alteo

- Ambitious three-year plan to reduce sugar production cost significantly in Mauritius
- Focus on nurturing performance in East Africa operations – Kenya in particular
- New power plant project being redesigned due to the lack of availability of bagasse in the long-term
- Renewable energy development through existing strategic partnership with Quadran
- Ongoing sales of non-core land to generate cash
- Moving forward, increased focus on property development

CIEL Properties

- Optimising CIEL's low yielding and unutilised assets (MUR 4.8bn)
- Creation of new Property cluster at CIEL level and appointment of dedicated CEO
- Pursue property development projects (Ferney and Ebène)

RISK **MANAGEMENT**



"In today's increasingly complex and fast-changing world, risk management is more crucial than ever in order to anticipate and address emerging challenges.
CIEL continues to strengthen its risk governance at both Group level and within each of its businesses".

P. Arnaud Dalais, CIEL Chairman

Risk Management

Financial Year ended 30 June 2019

Our Journey

This financial year end ("FYE") marks yet another significant leap forward along the enterprise risk management ("ERM") journey – a journey that began with a vision, that is, to instil a culture of risk management in every employee and to embed a mature and effective ERM system in the organisation. CIEL Limited ("CIEL") recognises that to achieve this vision there is a long road ahead. Nonetheless, CIEL has made remarkable progress thus far.

Achievements This FYE

- Developed and tested the business continuity plan for CIEL Corporate Services Limited
- Launched a monthly risk newsletter
- Assisted in developing CIEL Group's investment policy guidelines
- Assisted in developing the CIEL Group Treasury Policy
- Ensured that all clusters have the proper risk governance structure in place to mitigate risk and ensured that the clusters are properly disclosing risks.
- Continuous improvement in cyber security, from developing better IT infrastructure to Group-level staff training, with the assistance of the Group Cybersecurity Committee
- Appointment of Elysium Security to act as our cybersecurity experts
- Developed and currently managing the cyber incident register for CIEL Group
- Assisted in the full insurance audit of CIEL Group, in line with CIEL's risk appetite
- Assisted in developing a whistleblowing framework for CIEL Group
- Performed the yearly competitor benchmarking exercise for CIEL Textile
- Developed a key risk indicator database for CIEL Group
- Evolved CIEL's risk register to place more emphasis on controls
- Kickstarted the process of cross-fertilisation by inviting risk champions to attend the risk meetings of other clusters

Outlook Next FYE & Beyond

- Ensure clusters have a business continuity plan in place
- Ensure clusters have a treasury policy in place
- Initiate CIEL Group Risk Forum
- Ensure that CIEL's investment policy guidelines is a living document and that it is embedded in the operations
- Ensure that each cluster develop their own risk appetite statement
- Continue developing the quantification tools for ERM including a loss-event database, key risk indicators and eventually analytical models
- Develop the IT systems to easily capture the data required for ERM
- Develop ERM such that it can influence budgets, policies and the allocation of resources
- Develop the expertise to provide a risk opinion on strategic decisions, business plans and major projects
- Pave the way for effective cross-fertilisation by implementing an integrated ERM system for the Group

Governance Structure

Every CIEL cluster is unique and therefore applies its own method to govern the risk management process, but in all clusters the governance structure is supported by multiple lines of defense including the employees, the risk champions, the risk officers, the Risk Oversight Committee, the Audit & Risk Committee, the Board of Directors ("Board") as well as internal and external audit.

Hotels & Resorts

- Monthly risk meetings with general manager and risk champions at every hotel and business unit.
- Quarterly risk committee meetings are held for Sun Limited.
- Chief risk officer reports to Audit & Risk Committee of Sun Limited. Report submitted to Board.

Healthcare

- Risk report presented by lead risk champion at the monthly management meetings at every hospital.
- Quarterly risk committee meetings are held for CIEL Healthcare.
- Lead risk champion reports to Audit & Risk Committee of C-Care and CIEL Healthcare. Report submitted to Board.

Textile

- Risk report presented by general manager at the monthly management meetings at every business unit.
- Quarterly risk review with CEOs, CFOs and lead risk champion.
- Lead risk champion reports to Audit & Risk Committee of CIEL Textile. Report submitted to Board.

Finance

- Monthly catchup with heads of risk at each entity by CIEL Finance Limited ("CFL") risk unit.
- CEO of CFL and CFL risk unit sit on bank risk committee meetings.
- CFL risk unit sit on each entity's Audit & Risk Committee meetings.
- CFL risk unit report to CFL Audit & Risk Committee and Board.

Agro & Property

- Quarterly risk review by CIEL Group risk officer at Alteo Limited and CIEL Properties Limited.
- CIEL Group risk officer reports to Audit & Risk Committee of Agro & Property. Report submitted to Board.

CIEL Group

- CIEL Group risk officer oversees risk governance and risk reporting groupwide.
- CIEL Group risk officer collates all risk reports to produce a CIEL-level risk report.
- CIEL Group risk officer reports on risk at CIEL Risk Oversight Committee and Audit & Risk Committee. Risk report submitted to CIEL Board.
- High risk escalation procedure in place.

FIND OUT MORE
www.cielgroup.com

For more info, you may refer to the risk policy and framework online.

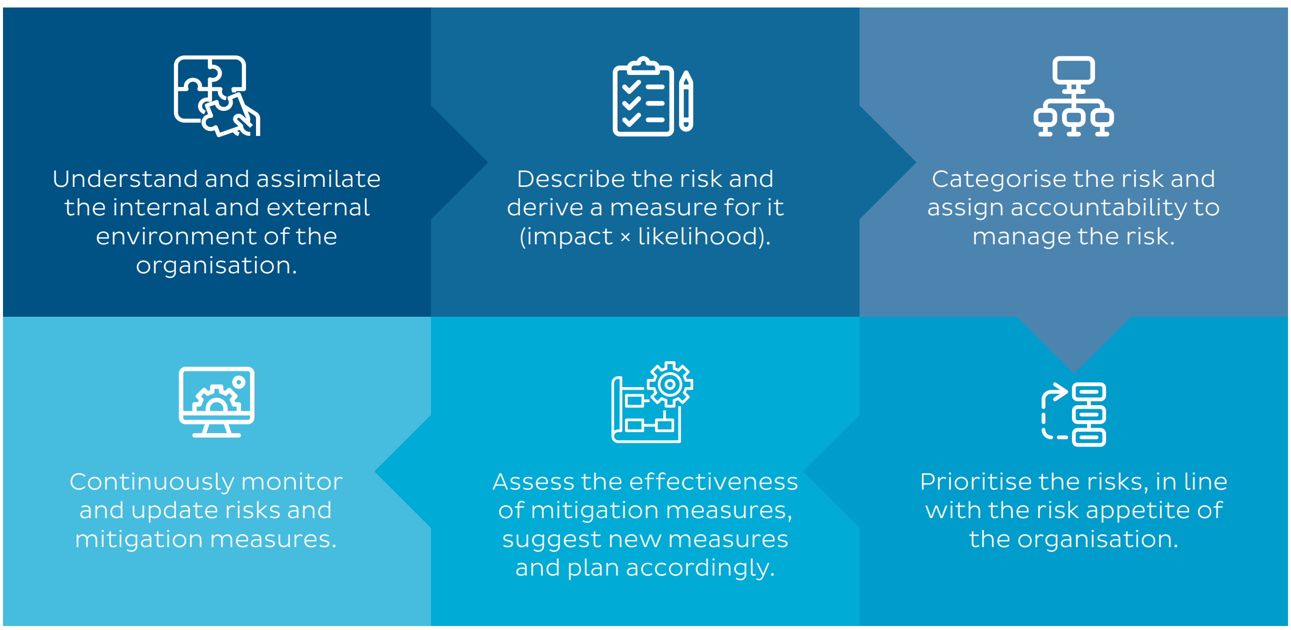
Risk Management (Cont'd)

Financial Year ended 30 June 2019

Risk Assessment Process

Although the governance structure is unique for each cluster, the risk assessment process remains standardised. Risk reporting comes from two sources: the risk & controls register and the key risk indicator dashboard. Both these pieces of information form the risk reporting throughout the Group. To acquire this information, senior management requires each business unit and/or department to contribute their knowledge and time to the risk assessment process and requires the support of the risk champions.

Minutes are taken at risk meetings to ensure that there is continuous monitoring of risks and mitigation measures. On the agenda of every risk meeting is discussion of the risks, incidence, mitigation measures, deviations, insurance as well as a discussion regarding the overall risk maturity of the organisation.



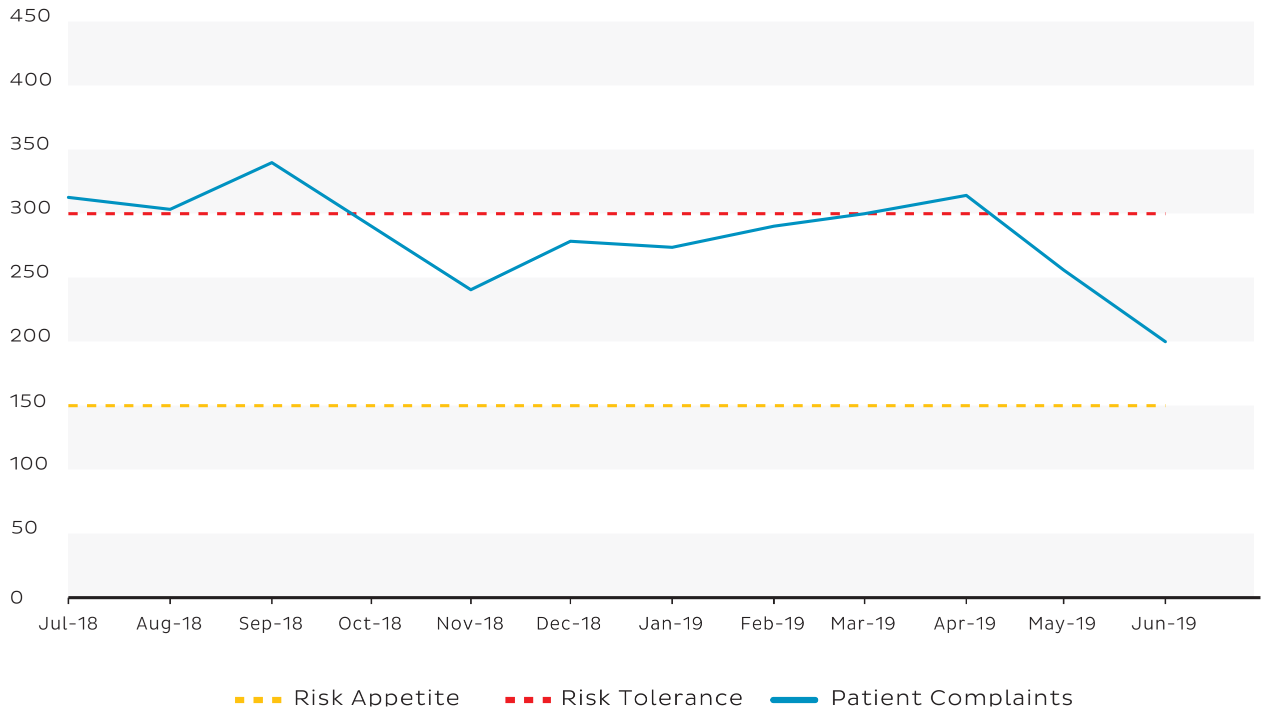
Key Risk Indicators

Clusters of CIEL Group have been mandated to report on key risk indicators ("KRI"). KRIs are like key performance indicators in that they are fact-based measures demonstrating how effectively a business is achieving its objectives over time. The major difference is that KRIs serve as early warning signals, advising us on unwanted events that could arise in future. KRIs are also beneficial in that they are objective, which can counterbalance the often-subjective exercise of measuring risk by impact and likelihood.

Illustrating this using a live example, the graph below depicts the number of patient complaints at Wellkin Hospital, tracked on a monthly basis over the financial year. Anything below the yellow 'Risk Appetite' line represents our desired risk reward profile. Anything above the red 'Risk Tolerance' line is not tolerable and we flag this to be reported at the level of the C-Care Audit & Risk Committee.

Management at C-Care has set the tolerance and appetite level for Wellkin Hospital as such to ensure that these complaints are dealt with appropriately and steps can be taken to reduce the number of complaints. The graph below shows a declining trend which is evidence that the tracking of the KRIs, through a proper governance structure, is effective in reducing risk.

Number of Patient Complaints at Wellkin Hospital



CIEL is proud to state that the ERM function monitors over a hundred KRIs across the Group and this number will grow.

Some examples are as follows:

CIEL Hotels & Resorts

- Poor quality goods returned to supplier
- Staff absenteeism
- Staff attrition rate
- Thefts

CIEL Finance

- Capital adequacy ratio
- Cost of risk
- Loan-to-deposit ratio
- Suspicious transactions report

CIEL Healthcare

- Patient complaints
- Infection rates
- Nurse absenteeism
- Power outages

CIEL Textile

- Machine breakdowns
- Reject rates
- Drops in staff efficiency
- Workplace accidents

Risk Management (Cont'd)

Financial Year ended 30 June 2019

Our Principal Risks

Our Principal Risks have been updated to reflect progress made as well as to capture new developments this Financial Year. We are glad to share with you our top 14 risks.

Risk Level & Variances

HIGH

MEDIUM

LOW

Risk increased in 2019

Risk remained consistent with 2018 levels

Risk decreased in 2019

Capitals Affected

Financial capital

Manufactured capital

Human capital

Social & relationship capital

Intellectual capital

Natural capital

Political Risks

Political Risk in Countries CIEL Operates

The political environment in some of the countries CIEL operates is marked by corruption, tension, lack of skills and erratic decision-making. This makes it more difficult to do business.

CIEL's Risk Appetite

CIEL has a high tolerance to this risk

CIEL	High	Decreased
Hotels & Resorts	Low	
Textile	High	Decreased
Finance	Medium	Decreased
Healthcare	High	
Agro & Property	Medium	

Occurring this Financial Year

The Madagascar presidential election took place in the last quarter of 2018. Management was monitoring this closely over concerns that another political crisis could arise, potentially having a severe impact on the Group.

Management Response & Outlook

The Madagascar presidential elections were a relatively peaceful one. The new cabinet is young and enthusiastic, and as such a more stable environment is projected. No disruption in operations is expected.

Economic Risks

Weak Economies & Slow Economic Growth

Weak economies or poor economic growth is harmful for businesses because consumer demand is low, and it becomes more difficult to employ the right talent. Moreover, weak economies are more susceptible to global economic shocks.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL NEW

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

Economically-relevant events such as ongoing Brexit talks, the "gilet jaunes" protests, trade tensions between US & China, slower economic growth in US & Germany, high levels of debt in some countries especially China, poor economic performance in some countries including South Africa, have all impacted CIEL.

Management Response & Outlook

Leading indicators for economic downturn are beginning to show in some parts of the world, from inverted yield curves to looming debt crisis to the rise in populism. Although a global recession in the short-to-medium term is not expected, Management is monitoring the situation closely.

Economic Risks

Commodities Risk

Businesses dependent on commodity prices must monitor them closely as changes in these prices directly effects profit margins and makes budgeting difficult. CIEL's Agro business is highly dependent on the sugar price and CIEL Textile is dependent on textile commodities such as wool and cotton.

CIEL's Risk Appetite

CIEL has a high tolerance to this risk

CIEL NEW

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

• The sugar price in Mauritius fell below Rs. 9,000 this financial year due to an oversupply of sugar in the European market as well as reduced consumer demand.
• As a result of the US-China trade war, the wool price fell by more than 50% this financial year having a negative impact on the turnover of specific entities within the Textile cluster.

Management Response & Outlook

• A slightly improved sugar price environment for the next financial year is expected. The Mauritius Sugar Syndicate will continue to pursue its strategy of developing new markets for higher value-added sugars.
• The current volatility in the wool price is being monitored closely and steps are being taken to alleviate the pressure this is having on the stock count.

Economic Risks

Foreign Exchange Risk

For the most part, CIEL subsidiaries derive their revenue in foreign currency. FX risk is therefore a high risk, partly mitigated by a centralised treasury function. CIEL derives some of its revenue in currencies of developing nations, which are naturally more volatile and difficult to hedge.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

The Group's hedging policy kept FX risk within manageable levels this financial year.

Management Response & Outlook

• Management remains cautious about foreign exchange fluctuations due to the current global economic environment.
• Now that a treasury policy for CIEL has been implemented, each business unit is expected to align its treasury policy with that of the Group.

Risk Management (Cont'd)

Financial Year ended 30 June 2019

Sociological Risks

Talent Management

The ability to attract, nurture and retain talent is of paramount importance to CIEL, in part because Mauritius must compete for talent against other attractive countries and, also in part, because people are generally the most difficult part of any business to manage.

CIEL's Risk Appetite

CIEL has a low tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

• C-Care underwent a transition period this financial year whereby the previous hospital operator, Fortis, left and new management was onboarded. This transition went smoothly.

• The government of Kenya and Tanzania are tightening the policies on expatriate labour, impacting Alteo's ability to attract talent.

Management Response & Outlook

• As C-Care's performance suggests, talent is well managed, and the outlook in this respect is positive.

• Alteo Management expect continued restrictions on expatriate labour in the foreseeable future.

Technological Risks

Cyber-Attacks

The global growth rate of cyber-attacks is alarming, with each attack becoming more sophisticated and more costly to the victim. It now goes without saying that businesses should always remain vigilant. CIEL subsidiaries are no exception.

CIEL's Risk Appetite

CIEL has a low tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

There were cyber-attacks at some of the entities this financial year. These attacks resulted in financial loss, but no loss of personal data.

Management Response & Outlook

CIEL has mobilised its resources in response to the various attacks that occurred this year and is taking the necessary steps to ensure that cyberattacks are kept at a bare minimum. A Group-level initiative is well underway, with a proper governance structure and the aid of outside experts, and CIEL is therefore confident about mitigating this risk. Crime and cyber insurance are also being put in place.

Legal Risks

Contractual Obligations

CIEL Group, being a large corporate entity, has many contractual arrangements between subsidiaries, suppliers, clients, government, and other third parties. There is thus a risk of failure in fulfilment of contractual obligations and doing so can present a considerable financial and reputational burden.

CIEL's Risk Appetite

CIEL has a low tolerance to this risk

CIEL NEW

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

Specific lease agreements at cluster level are reaching expiry and if not renewed could lead to missed opportunities or delays in launching new projects.

Management Response & Outlook

Management have proposed plans to initiate new projects with respect to the agreements in place and are awaiting feedback.

Environmental Risks

Meeting Environmental Standards

As we become increasingly aware of the impact of climate change, so are the standards expected of us. Clients, governments and other third parties require businesses to respect the environment more and more each year.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

- CIEL is now listed on the SEMSI, signifying recognition of CIEL's sustainable development approach. The Group has received an overall sustainability score greater than 80% which is commendable.
- CIEL Textile has joined the sustainable apparel coalition, the industry's leading alliance for sustainable production.

Management Response & Outlook

As this year's great strides in sustainability suggest, CIEL intends not only to meet environmental standards but to set the bar above and in line with CIEL values.

Financial Risks

Business Turnaround

In the early stages of an investment, it is not unlikely that a business is loss making. It is then up to senior management, with the support of the Board, to turn the business around within a predefined time frame. Business turnaround can either be a big opportunity or a big risk.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

- Textile's Tropic Knits India ('TKI') is still loss making but has improved its order book and the quality issues on fabric this year.
- New management have been onboarded successfully and operational improvements have been made at Healthcare subsidiaries leading to a better performance this year.
- Alteo's mill in Kenya has benefitted from a constant supply of cane which has contributed to the improved performance over the financial year.

Management Response & Outlook

Alteo Kenya, TKI and subsidiaries of Healthcare should continue to perform better year-on-year, with Wellkin turnaround expected in the next financial year.

Risk Management (Cont'd)

Financial Year ended 30 June 2019

Financial Risks

Financial impairment

Although impairment is a non-cash item, it can have a negative impact on the balance sheet and income statement, which could lead to an impact on market sentiment.

CIEL's Risk Appetite

CIEL has a low tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

The carrying value of specific assets at SUN, Alteo and Healthcare cannot be sustained due to economic conditions, leading to financial impairment and a net loss at CIEL level this financial year.

Management Response & Outlook

Management has implemented various measures to monitor this risk closely going forward and therefore is not forecasting further impairments.

Operational Risks

Systems & Processes

As technology has become increasingly necessary in many areas of business, operational risk events due to systems failures have correspondingly become increasingly significant. Moreover, there is the compounding risk that the processes around these systems are ineffective or inefficient.

CIEL's Risk Appetite

CIEL has a low tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

Various minor systems and process failures were observed at C-Care operations, for example manual/ human process errors, this financial year.

Management Response & Outlook

C-Care has enhanced its training programmes, onboarded new skills and developed a more advanced hospital information system. Although operational risk remains high for hospitals, Management expect improvements to be made on the ground.

Strategic Risks

Transformative Projects

CIEL and its subsidiaries are continuously running transformative projects to ensure long-term growth. However, if these projects are not managed properly, it can result in missed timelines, cost overruns, slow revenue generation and in extreme cases project failures.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

• The sugar beach renovation is well underway and is expected to be complete by next financial year.
• While continuing to adhere to bank covenants, some business units within Textile face capex challenges to finance new projects.

Management Response & Outlook

• The Sugar Beach Resort's renovation is of a significant magnitude to Sun and is therefore being monitored closely. Thus far, renovations are going smoothly and should remain this way going forward.
• CIEL Textile is starting to shift from short to medium term debt in USD to capture the low interest rate environment and reduce refinancing risk.

Strategic Risks

Strategy Execution

Many industries today are undergoing a sea of change and face an environment marked by growing consolidation, rising customer expectations,increasing regulatory requirements, uprising technological innovation and mounting competition. This increases the chances of strategy failures.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

CIEL Textile has successfully delisted from the DEM and is now wholly owned by CIEL.

Management Response & Outlook

The CIEL Textile delisting is a positive outcome because, in terms of strategic possibilities, it gives CIEL Textile more flexibility. The move may lead to a better valuation for CIEL Textile and the Group.

Strategic Risks

Client & Business Concentration

Businesses too dependent on one activity or a small number of clients are at greater risk of financial loss. As they say, it may be prudent not to put all the eggs in one basket.

CIEL's Risk Appetite

CIEL has a moderate tolerance to this risk

CIEL

Hotels & Resorts

Textile

Finance

Healthcare

Agro & Property

Occurring this Financial Year

One of Textile's major clients is currently in the process of restructuring its debt. If the client is unable to alleviate its debt burden, then Textile may have to reduce their exposure leading to a negative financial impact.

Management Response & Outlook

The client may resolve its debt issues in the upcoming financial year. CIEL Textile has established a very good working relationship with the client and a medium-term strategy is in place that suits both parties.

SUSTAINABILITY

"CIEL was listed on The Stock Exchange of Mauritius Sustainability Index this year. This testifies to the progress made on our sustainability journey: we have now delivered on our 2015-2020 sustainability strategy, in particular by creating a solid sustainability governance system and rolling out sustainability programmes across the Group.
We are now in the next phase and in the process of defining our Sustainability Strategy to 2030".

P. Arnaud Dalais, CIEL Chairman

Corporate Sustainability

Financial Year ended 30 June 2019

At CIEL, we actively approach corporate sustainability in multifaceted ways across our diverse working contexts. We recognise that the many parts of our Group, from the business unit to industry clusters and Group level, make up a whole and that everything we do influences economic, environmental and social systems at variable scales. How we act sustainability is therefore integral to our business success.

Vision

To be a leader of sustainable development in our world, whereby our world means our sphere of influence.

Mission

We create and nurture lasting value for our stakeholders and country through transparent, ethical and responsible business management.

We add value for our people and planet at a local, national, regional and international scale through:

• Corporate Environmental, Social and Governance initiatives to promote efficiencies, support sustainable decision-making and minimise risks;

• Social investment and institutional strengthening that responds to social needs through Fondation CIEL Nouveau Regard and community engagement across Group companies;

• Shared-value initiatives (e.g. energy efficiency program) that support business growth while responding to social or environmental issues and opportunities for positive, collaborative and innovative change.

Governance

CIEL has developed a well-structured governance system with commitment from the top. A Corporate Sustainability Committee of CIEL's Board of Directors is in place since 2014 and each cluster and companies of the Group have their own sustainability committees to implement change.

A dedicated and growing sustainability team with over 30 sustainability champions has been developed over the years.

Our people are committed and passionate about continuously improving sustainability actions to reduce risks of harm, create positive change and a prosperous future.

Ethical and Sustainable is one of three guiding values incorporated into our governance structure, performance management and reporting processes. The International Finance Corporation's (IFC) Performance Standards are applied across the Group to manage environmental and social risks, as a minimum requirement.

Beyond this, CIEL focuses sustainability actions around 5 pillars:

- Business Ethics
- Labour Practices
- Environmental Responsibility
- Stakeholder Engagement
- Sustainable Design Planning and Procurement

The CIEL Code of Ethics includes key areas that are essential for doing business fairly and ethically: Business Integrity, Workplace Culture, Data Privacy, Reputation & Goodwill and Environmental & Social Values. This financial year CIEL Group adopted a Whistleblowing Policy and the CIEL Supply Chain Management Policy has been disseminated across the Group, accompanied by training and communications for implementation.

CIEL strives toward the 17 sustainable development goals and goes beyond business practice with Act for our Environment and Act for our Community initiatives and through the Fondation CIEL Nouveau Regard.

Our Definition of Sustainability

CIEL has grown and sustained for more than 100 years as a company – we proudly consider ourselves a key player in sustainable development in Mauritius and the Indian Ocean region. We recognise our world is facing rapid change and complexity. There is an ever increasing need to act responsibly, adapt to change and future-proof our business.

For CIEL, to contribute to a sustainable society means to:

- Transition from reliance on finite resources to maximising renewable resources and technology;
- Ensure responsible production and consumption (by improving operational excellence, positively influencing our supply chain, seizing circular system opportunities, and designing innovative and sustainable products and services);
- Eliminate and avoid anthropogenic causes of pollution (such as dioxins or plastic waste);
- Protect our natural environment and its services from degradation or overexploitation and restore and regenerate ecosystems and biodiversity;
- Act ethically by always upholding and advocating for human rights, anti-corruption, and fair labour practices;
- Remove barriers to financial and social inclusion to ensure people (our workers, customers, suppliers and communities) and subsequent generations are able to meet their basic needs, enjoy economic prosperity and opportunities to flourish in life.

SUSTAINABLE DEVELOPMENT GOALS

PEOPLE	End poverty and hunger in all forms and ensure dignity and equality
PROSPERITY	Ensure prosperous and fulfilling lives in harmony with nature
PLANET	Protect our planet's natural resources and climate for future-generations
PARTNERSHIP	Implement the agenda through a solid global partnership
PEACE	Foster peaceful, just and inclusive societies

Source: United Nations Sustainable Development Goals 5P Framework (that encompasses the 17 Sustainable Development Goals)

FIND OUT MORE
www.cielgroup.com/corporate-sustainability

Corporate Sustainability (Cont'd)

Financial Year ended 30 June 2019

Stakeholder Engagement

Engaging with internal and external stakeholders is important to CIEL. Engagement facilitates access to information, insights and trust to improve our positive influence and benefit from cooperation and support. It offers those who may be affected by our actions and decisions an opportunity to voice their opinions. It enables our company to help identify and reduce risks, improve our governance and address, economic societal and environmental issues. It better enables us to meet needs, maintain effective partnerships, and identify new and innovative business opportunities.

	Key Expectations	Levels of Engagement	Means of Engagement
Investors, Shareholders, Analysts	• Strong governance and transparency • Alignment with international standards • Financial and non-financial performance • Environmental and social management system and initiatives • Responsible investment practices • Access to management team		• Board meetings in Paris and Mauritius • Shareholders' meetings • Corporate Sustainability Committees • Bi-annual analysts meetings • Teleconferencing • Integrated Reporting
Employees	• Good working conditions & labour practices • Training and career opportunities • Work-life balance and recognition • Environmental and social management system • Sustainability leadership • Regular communication • Group privileges		• Awareness sessions and activities • Regular engagement with management teams • Routine meetings and working sessions • Group function forums and events • 3rd edition of the CIEL Annual Symposium • 1st edition of CIEL Innovation Awards • 12th edition of the CIEL Ferney Trail • Employee engagement survey • Corporate Magazine (Horizons)
Operational Sites	• Compliance management • Business opportunities • Fair labour and human resources practices • Environmental management • Community engagement		• Site visits • Teleconferencing • Audits and audit reports • Gap analyses • Group Function Forums • Coaching
Suppliers	• Fair and ethical trading practices • Transparent communication on relevant supplier topics • Business opportunities • Working conditions and contractual arrangements • Good relationship management		• Supplier meetings • Supply chain assessment and management

Inform
Inform or educate stakeholders in one-way communication

Consult
Gain information and feedback from stakeholders

Involve
Work directly with stakeholders throughout the process

Collaborate
Partner for the development of mutually agreed solutions and joint plans of action

Empower
Delegate decision-making to stakeholders on a particular issue

	Key Expectations	Levels of Engagement	Means of Engagement
Trade Unions Partners	• Working conditions • Social and environmental issues		• Meetings
Government Regulators	• Economic performance • Job creation • Legal compliance • Governance and ethics • Biodiversity conservation • Social investment		• Meetings with the authorities and parastatal bodies • Regular meetings and communications • Partnership with specific ministries (La Vallee de Ferney Conservation Trust)
Local Communities	• Risk and Impact on communities • Ethical business practice & equitable labour practice • Community engagement and involvement • Financial support		• Social investment (Fondation CIEL Nouveau Regard) • Platform for citizens and NGOs (ACTogether.mu) • Community events Cultural, Arts and Sports sponsorships • Yearly sporting event (CIEL Ferney Trail)
Civil Society	• Human rights • Fair working conditions • Environmental impact • Biodiversity conservation • Community engagement • Products and services stewardship		• Citizen platforms (ACTogether.mu and BouzeMoris.mu) • Partnership with NGOs (SEDAM, Inclusion Mauritius, Mauritian Wildlife Foundation) • Environmental management system • Reforestation programme (La Vallée de Ferney Conservation Trust)
Private Sector Peers	• National interest initiatives for the economy and the sustainable development of Mauritius		• Participation in Business Mauritius • Participation in sectorial organisations
Customers/ Clients	• Quality services and products • Sustainable practices		• CIEL stories monthly e-news • Social media • Website • Customer satisfaction surveys

Corporate Sustainability (Cont'd)

Financial Year ended 30 June 2019

Sustainabilty Forums

Two sustainability forums with sustainability champions and partners were held this year for cross-fertilisation of best practices across CIEL industry sectors and external partners, one of which focused on scalable renewable energy opportunities. CIEL continuously engages with Business Mauritius network on specific topics such as a waste.

Benchmarking and Measuring Sustainable Success

This year CIEL was listed on the Stock Exchange of Mauritius Sustainability Index, recognising our achievements and commitment to corporate sustainability and sustainable development. The Group received an overall score of 80.34% in the 4 categories - Good Governance, Economy, Environment and Social - indicating a commendable performance overall.

CIEL identified and is collecting non-financial key performance indicators across CIEL Group business operations to form a baseline for monitoring sustainability efforts aggregated at Group level in line with our 5 sustainability pillars. Audits across 5 sites are conducted annually to identify gaps and opportunities to continuously improve sustainable practices. CIEL recognises and rewards innovations in sustainability by incorporating sustainability as a key assessment criterion in the CIEL Innovation Awards, launched this year.

CIEL is also embedding processes to regularly review our material topics and sustainability trends on an ongoing basis through sustainability committees, forums and stakeholder engagement interactions.

80.34%

SEMSI score

for Good Governance, Economy, Environment and Social

Looking to the Future Now

Since 2015, CIEL adopted its sustainability policy and has been implementing its 2020 strategy. During the next financial year we will define our sustainability strategy 2020-2030 focused on a common agenda of issues most pertinent to CIEL Group, whilst maintaining accountability and sustainability of initiatives driven by industry clusters. We will release our revised sustainability strategy by the end of next financial year.

act
for our environment

World Environment Day 2019

CIEL employees across all clusters mobilised for the environment for United Nations World Environment Day to raise awareness about air pollution. Activities included, tree planting, greening workspaces and gifting endemic seedlings from Ferney La Vallée, offering hybrid and electric car loan incentives, riding and walking to work and beach clean-up campaigns. In December 2018, Tropic Knits also showed commitment to climate action as a founding signatory of the UN Fashion Industry Charter for Climate Action.

Ferney
LA VALLÉE

La Vallée de Ferney Conservation Trust

Ferney La Vallée, making up 200 hectares of conservation zone, remains a highly valuable natural asset for CIEL and Mauritius.

La Vallée de Ferney Conservation Trust was created in 2007 to protect and restore unique Mauritian biodiversity and habitat notably endemic plants, birds, bats and geckos at Ferney La Vallée. The initiative was bolstered via public private partnership between the Ministry of Agro-Industry and Food Security and CIEL in collaboration with the Mauritian Wildlife Foundation and the support from the GEF Small Grants Programme UNDP, the National Parks and Conservation Services and other partners such as the Durrell Wildlife Conservation Trust, the Chester Zoo and HSBC. This financial year saw the closure of a five-year grant with UNDP GEF programme, administering US$ 150,000 over five years to optimise Ferney La Vallée into a Mauritian biodiversity conservation area and awareness hotspot.

The initiative resulted in 10 hectares of endemic forest restored and 27,000 endemic trees reintroduced. The area is now home to 200 endemic birds of 5 different species with confirmed breeding pairs, including Echo Parakeets, Pink Pigeon, Kestrels and the Cuckoo-Shrike. Educational signage was put in place for public education and eco-tours.

Capacity building of the labour force and set up of the monitoring field station by Mauritian Wildlife Foundation saw improvements to reforestation management such as weeding and the discovery of 35 different plant species, with several thousands of seedlings existing in the nursery for replanting.

La Vallée de Ferney Conservation Trust Key Achievements

200
hectares of conservation zone

10
hectares of endemic forest restored

27,000
endemic trees have been planted

35
different plant species

5
different endemic bird species with confirmed breeding pairs

12
workers trained

Restoration and Reforestation

Initiatives to restore land and forests across all clusters in Mauritius, India and Madagascar have seen more than 50,000 trees planted this financial year. In addition, the 'One Life One Tree' initiative was launched by C-Care under the Healthcare cluster, whereby a tree is planted at Ferney La Vallée for every child born.

CIEL Ferney Trail and Public Awareness

More than 3,400 employees and public once again participated in CIEL Ferney Trail inclusive sports event in partnership with Inclusion Mauritius to promote participation in sports, environmental awareness and appreciation of Mauritian biodiversity, held at Ferney La Vallée.

act
for our community

Community Service and Engagement

An array of community services, funding and projects are regularly delivered by CIEL business units to support local communities. Highlight initiatives include, community outreach free health screenings (C-Care); Sun Children's Cancer Fund (Sun Limited); the Rug Mat project for upcycling and women's empowerment (CIEL Textile); affordable access to credit (BNI MADAGASCAR); financial literacy training (Bank One) and renovation upgrades for local schools (CIEL Textile and CIEL Finance clusters) amongst others.

Fondation CIEL Nouveau Regard

fondation CIEL
nouveau regard

CIEL continuously contributes to the welfare of the communities in which we conduct business. It manages this commitment through Fondation CIEL Nouveau Regard ("FCNR"). Established in 2004, FCNR fosters inclusion of vulnerable populations by partnering with NGOs. Since February 2010, FCNR has been receiving the CSR tax through funding from CIEL subsidiary companies. The Foundation invested MUR 90M since 2005 in various projects managed by local NGOs, with whom it has developed close partnerships.

Fondation CIEL Nouveau Regard Key Achievements

MUR 5.3M
invested in social projects through Fondation CIEL Nouveau Regard in 2018/2019

5
new NGOs registered this financial year on ACTogether.mu
Now 145 in total

6,079
beneficiaries (1,099 direct and 4,980 indirect) reached through focus projects this financial year

53,000
people visited the ACTogether.mu website with more than
100,000 site visits

Focus Projects and Partnerships

Project	About	Commencement Date and Budget invested	Impact	Outlook
• **Lakaz Lespwar Solitude**	• Managed by Caritas, this community development project offers a wide range of services to local vulnerable populations	• September 2010 • MUR 13,7M invested; 90% in running costs and 10% set up costs	• 4,800 direct and 15,500 indirect beneficiaries since 2010 • Year 2018/19: 250 families were direct beneficiaries and 1,200 indirect • Over the last 6 months, an evaluation was carried out with 197 direct beneficiaries from all age groups; 25% of them are now autonomous and left the project, 56% have made significant progress and 19% are still in need of support	• Maintain the level of service to the population • Stay flexible and stay close to the field and the people to understand their needs and adapt the services offered • Empower teenagers and the community to maintain project ownership and leadership • Continue to build capacity with resources and tools • Continue to build internal staff capacity to reduce reliance on external consultants/professionals such as counsellors etc.
• **Society for the Welfare of the Deaf** – secondary pre-vocational section	• School for the deaf children • The secondary section runs from form I to IV with the last year focused on employability	• January 2010 • MUR 6.6M invested mainly in salaries	• 80 direct beneficiaries (pupils) 70% of them have left school, amongst which 73% are now employed	• Continue to empower students to seek and gain employment by developing partnerships with other institutions and providing more job awareness sessions

Corporate Sustainability (Cont'd)

Financial Year ended 30 June 2019

Focus Projects and Partnerships (Cont'd)

Project	About	Commencement Date and Budget Invested	Impact	Outlook
ANFEN (Adolescent Non-Formal Education Network) Social workers programme	• ANFEN is a network NGO that regroups 18 centres welcoming approximately 1,000 kids, all of who have left the mainstream schooling system • ANFEN employs eight social workers who make the link between families and the school	• July 2010 • MUR 5.4M invested in social worker salaries	• 700 direct and 3,500 indirect beneficiaries	• An evaluation revealed that the need of the young people has changed; they require more employment skills training and emotional stability support FCNR is accompanying one of the centres in their pilot project
SEDAM (Service d'Evaluation et de Diagnostic de l'Autisme à Maurice)	• Managed by NGO Autisme Maurice, it is the only service providing a precise diagnostic for autism in Mauritius • This project is a CIEL Group partnership, supported in-kind by C-Care Wellkin Hospital (providing free consultation rooms to the multi-disciplinary professional team) and Sun Limited (offering a free stay for the training team from Reunion island)	• Training started in February 2018 • Diagnostic services started in June 2018 • MUR 1.1M	• Since June 2018, 69 children and their parents have undergone tests and 280 individuals have indirectly benefitted	• Decentralise the service to extend its reach to rural populations around the island of Mauritius
ACTogether.mu	• An online communication platform for NGOs of Mauritius and Rodrigues • Using the platform as a network, synergies between NGOs are encouraged with a Christmas Market, Professional Workshops and participation in fairs	• MUR 810,000	• Over the past 12 months, 53,000 people visited the website with more than 100,000 visits • 22 newsletters were sent, and more than 11,000 likes received on the Facebook page	• Ongoing

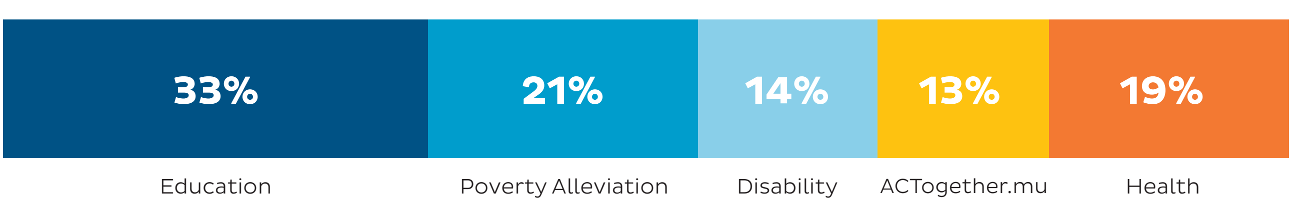
Satellite Projects

Satellite projects are small projects that FCNR chooses to finance which i) complement the services provided by our focus projects ii) allows FCNR to better understand the social context or iii) establishes relationships for potential future collaborations.

Projects	Description	Budget	Impact
DLD Teen Hope	• An ANFEN centre in Port-Louis area	• MUR 250,000	• Allows FCNR to better understand the reality of school dropouts
Friends in Hope	• An NGO giving service to people suffering from mental illness	• MUR 200,000	• Friends in Hope participates in the Solidarity Christmas Market organised each year by ACTogether.mu
Inclusion Mauritius	• A network of NGOs working with young adults with special needs to support and promote their independence. They have created the SAIM project (Self Advocate Inclusion Mauritius)	• MUR 22,000 • MUR 420,500	• 40 teenagers and young adults were invited to participate in the 4km Ferney Trail race • The young people have develop skills to facilitate their participation in the working world and society; several individuals are already employed by the organisation
ICJM (Institut Cardinal Jean Margéot) – Department of Psychology and Counseling	• The Department of Psychology and Counseling provides professionals to support organisations	• MUR 15,700	• A study was carried out in ANFEN centres to evaluate the needs for personal and emotional development programs. Thus far, the outcome has been positive for one centre
Autisme Maurice	• An NGO managing two schools for autistic children and SEDAM	• MUR 25,000	• Participation in a conference on autism in Africa – shared ideas and brought capacity building to local organisations
Centre Frère René Guillemin	• Managed by the Centre D'Accueil de Terre Rouge (CATR), this new center caters for young people with synthetic drug addiction	• MUR 350,000	• The centre has adapted to the needs of the young population offering prevention sessions and services
JAM (Junior Achievement Mascareignes)	• JAM has various programs on financial literacy and entrepreneurship	• MUR 246,950	• The JA ITS TYME program was delivered for students of the Mauritius Institute of Training and Development

Funds Received and Donations

This financial year, FCNR received MUR 5,716,898 of CSR tax plus MUR 1,533,000 of additional contributions from various entities of the Group, amongst which MUR 5,257,834 have been spent in donations towards education, poverty alleviation, disability, ACTogether.mu and health services.



CORPORATE
GOVERNANCE

CIEL has, over the years and since the beginning of the Group in 1912, developed a unique way of doing business.
CIEL constantly wants to reaffirm to its stakeholders its strong commitment in doing business ethically and sustainably and believes that ethics start at the top, with its Board, senior management extended to employees of the Group, business partners and other stakeholders.

Corporate Governance Report

Financial Year ended 30 June 2019

GROUP PROFILE – A GLOBAL INVESTMENT GROUP WITH AN INTERNATIONAL FOOTPRINT

CIEL Limited ("CIEL") at a Glance

- Public company listed on the Official Market of the Stock Exchange of Mauritius ("SEM").
- Listed on the SEM Sustainability Index ("SEMSI") since 29 March 2019.
- Public Interest Entity as defined by the Financial Reporting Act 2004.
- CIEL and its subsidiaries ("the Group") operate five business clusters spread across Mauritius, Africa and Asia.
- The Group employs more than 33,000 people through its investee companies.

OUR PURPOSE

FOR A WORLD WE CAN ALL FEEL PROUD OF

The Board of Directors ("Board") of CIEL is committed to maintaining high standards of corporate governance and acknowledges its responsibility for applying and implementing the principles contained in the National Code of Corporate Governance for Mauritius (2016) ("the Code").

PRINCIPLE 1: CIEL'S GOVERNANCE STRUCTURE

The Role of the Board

- Provides effective leadership and direction to enhance the long-term value of the Group, for its shareholders and other stakeholders.
- Assumes its responsibility in (i) overseeing the business affairs of the Group, (ii) reviewing its strategic plans, performance objectives, financial plans, annual budget, key operational initiatives, major funding, investment proposals, financial performance reviews and corporate governance practices.
- Ensures that all legal and regulatory requirements are met.

Responsibilities and Accountabilities

CIEL has approved job descriptions for key senior governance positions (Board Chairman, Group Chief Executive, Group Finance Director and Company Secretary) to provide a clear definition of their roles and responsibilities. It has also implemented a Board charter to define, amongst other items, the composition, role and duties of the Directors and the Chairman of the Board as well as the responsibilities assigned to the Board's sub-committees. The Board charter dated 30 September 2018 was updated on 27 September 2019 (composition of the Board – alignment of number of directors with the actual composition of the Board).

The roles of the Board Chairman and that of Group Chief Executive are held separately. P. Arnaud Dalais is the Chairman of the Board and Jean-Pierre Dalais, the Group Chief Executive.

Code of Ethics and Whistleblowing Policy

CIEL has, over the years and since the beginning of the Group in 1912, developed a unique way of doing business. CIEL constantly wants to reaffirm to its stakeholders its strong commitment in doing business ethically and sustainably and believes that ethics start at the top, with its Board, senior management extended to employees of the Group, business partners and other stakeholders. It is in that spirit that the Board has developed and approved a code of ethics, shared and acknowledged by the employees at the head office.

The code of ethics highlights key areas which CIEL believes are crucial in doing business fairly and ethically, namely:

- Business Integrity
- Workplace Culture
- Data Privacy
- Reputation & Goodwill
- Environmental & Social Values

The Board monitors and evaluates compliance with its code of ethics. In that spirit, CIEL has implemented a whistleblowing policy since it believes that providing a confidential and anonymous channel for all internal and external stakeholders to express their concerns about any perceived wrong-doings, malpractices or improprieties is instrumental for maintaining sound, ethical and sustainable business practices and ensuring continuous improvement in its processes. The code of ethics has been updated on 27 September 2019 to include the whistleblowing mechanism.

Ciel

CODE OF **ETHICS**

Read more on our CIEL's Code of Ethics on
www.cielgroup.com

BUSINESS INTEGRITY	**We always act in the best interests of CIEL.** We do business based only on quality and competence, fostering a culture of integrity and good governance. We say NO to favors, any form of bribery & corruption, NO to illegal, fraudulent or hazardous activities and/or violations of law & company policies.
WORKPLACE CULTURE	**We believe in our people, in their competence & their willingness to act fairly & ethically.** We encourage an open-door policy to promote an ongoing dialogue between teams. We embrace diversity & respect the personal dignity of our employees/colleagues. We believe in the importance of free competition, by competing fiercely but fairly. We lead the example by being strongly committed to compliance, in our words & actions, including on social media.
DATA PRIVACY	**We value & protect confidential information, company assets & reputation, and we respect the confidential information of others, including our partners & employees.** We must not disclose trade secrets, business and marketing plans, investment opportunities, any financial reportings of CIEL of any company of the group.
REPUTATION GOODWILL	**We are the representatives of the CIEL brand and we need to set an example in our words and actions.** We must be careful to avoid any communications (oral or written), disclose or interaction that might defame or damage the reputation of CIEL or CIEL Group.
ENVIRONMENT & SOCIAL VALUES	**We pursue sustainable practices in our day-to-day businesses.** We believe and promote a humane and transparent way of doing business, constantly committed in implementing, maintaining and fostering the best environmental & social related practices across CIEL's businesses.

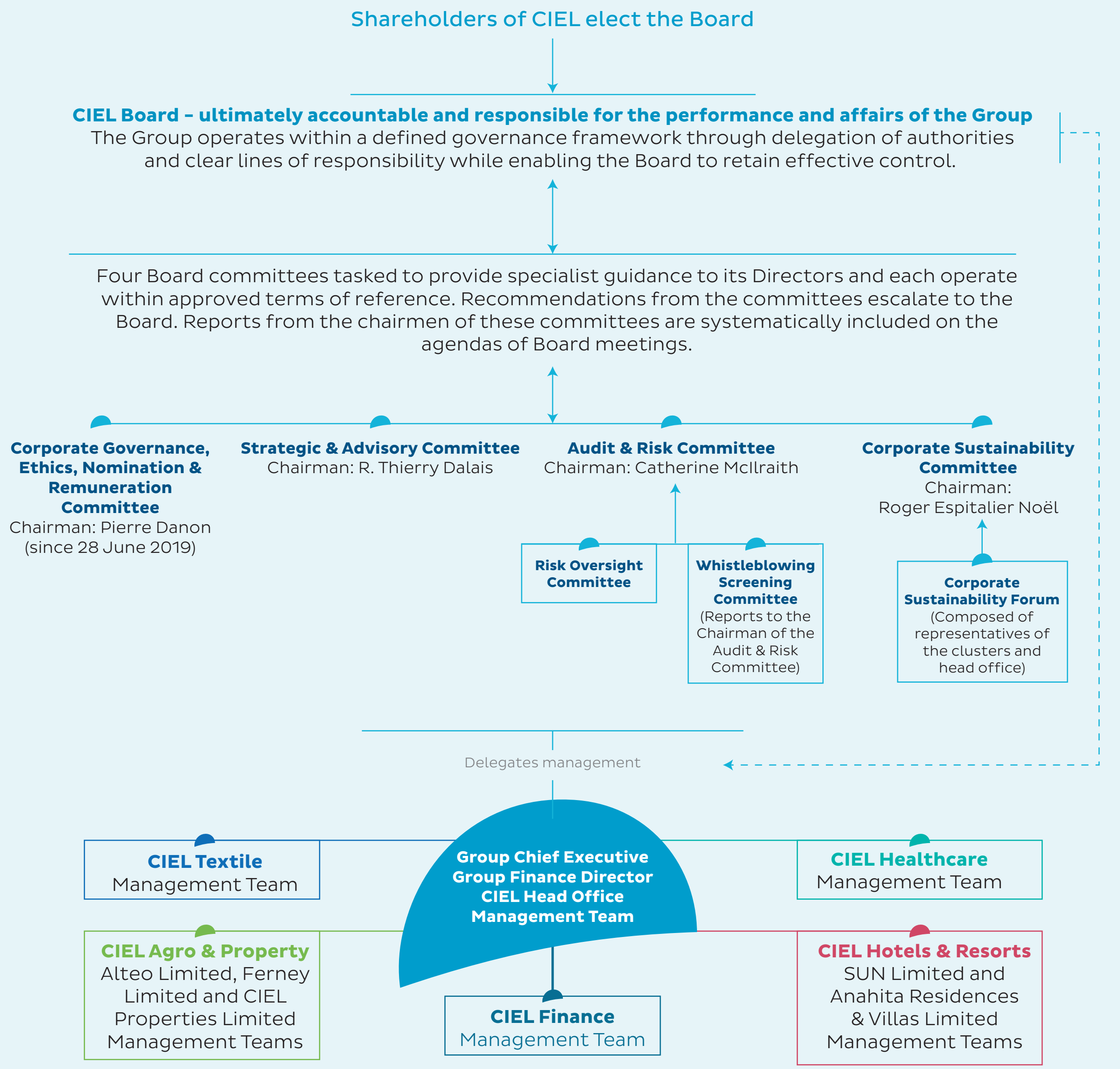
Code of Ethics and Whistleblowing Policy (Cont'd)

Step 1 Any person who wishes to blow the whistle (on an anonymous basis if so desired) shall report same to the Whistleblowing Screening Committee comprising of the CIEL Group Risk Officer and a member of the legal team. Alternatively, if the person feels that the Whistleblowing Screening Committee is not the appropriate forum to receive the complaint, he/she may report same to the Chairman of CIEL's Audit & Risk Committee ("ARC").

Step 2 The role of the Whistleblowing Screening Committee is only to screen the complaint, to determine whether the complaint is genuine and worth investigating/actioning. If so, the Whistleblowing Screening Committee shall forward the complaint to the Chairman of the ARC of CIEL.

Step 3 The Chairman of the ARC of CIEL shall, upon receiving a complaint, forward the complaint to the chairman of the relevant cluster's ARC if the complaint concerns a cluster or a business unit, or to the CIEL Group Chief Executive Officer or members of CIEL's ARC, if the complaint pertains to CIEL, who shall, in turn, subject to any applicable law, in their own discretion (i) decide on appropriate actions to be conducted to resolve the issues (ii) channel the complaint to the relevant parties for investigation and (iii) ensure that the necessary investigations are carried out.

CIEL's Organisational Chart and Statement of Accountabilities



The Group Chief Executive is responsible for the affairs of the Group and closely interacts with the CEOs of the Group. He has the support of the Group Finance Director and the management teams of CIEL Corporate Services Ltd, a wholly-owned subsidiary of CIEL, which provides a combination of corporate services and strategic support to the main operational clusters of CIEL.

Find out more
www.cielgroup.com
Code of Ethics
Whistleblowing Policy
Board Charter
Constitution
Job descriptions of key senior governance positions

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Size and Structure

The Board of CIEL is composed of Directors coming from different industries and backgrounds with strong business, international and management experience which are important considering the nature and scope of the Group's business and the number of Board committees. The Board is satisfied that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Tenure of Directorships:

Between 0 and 2 years	Between 2 and 4 years	Between 4 and 6 years	more than 6 years
3	2	5	5

Changes on the Board:
- Antoine Delaporte resigned on 28 June 2019
- Guillaume P. A. Dalais appointed by the Board on 28 June 2019

Type of Mandate: Unitary Board of 15 Directors

Constitution: Not less than 8 or more than 16 Directors

Executive Directors	Non-Executive Directors, including the Chairman	Independent Non-Executive Directors
2	11	2

5 Board Meetings during the Financial Year

7 Written Resolutions in lieu of holding Board Meetings

Industry/Background Experience:

- Agro-Industry
- Finance
- Textile
- Private Equity
- Hospitality & Leisure
- Banking
- Asset & Risk Management
- Corporate Sustainability
- Strategic Business Development

Quorum for the Board: 7 Directors

Company Secretary: CIEL Corporate Services Ltd

Gender Balance:

1 (female) 14 (male)

Corporate Governance Report (Cont'd)

Financial Year ended 30 June 2019

Board Size and Structure (Cont'd)

Directors	Gender	Age	Board Attendance	Country of Residence	Category
P. Arnaud Dalais (Chairman)	M	64	5/5	Mauritius	NEC
Sébastien Coquard	M	44	4/5	France	NED
Guillaume P. A. Dalais, appointed by the Board on 28 June 2019	M	37	1/1	Mauritius	NED
Jean-Pierre Dalais	M	55	5/5	Mauritius	ED
Marc Dalais	M	55	5/5	Mauritius	NED
R. Thierry Dalais	M	60	5/5	Mauritius	NED
Pierre Danon	M	63	5/5	France	INED
L. J. Jérôme De Chasteauneuf	M	53	5/5	Mauritius	ED
Antoine Delaporte, until 28 June 2019	M	59	4/5	Mauritius	NED
Roger Espitalier Noël	M	64	3/5	Mauritius	NED
M. A. Louis Guimbeau	M	69	5/5	Mauritius	NED
J. Harold Mayer	M	54	4/5	Mauritius	NED
Marc Ladreit de Lacharrière*	M	78	1/5	France	NED
Catherine McIlraith	F	55	5/5	Mauritius	INED
Jean-Louis Savoye	M	46	5/5	France	NED
Xavier Thiéblin	M	76	4/5	France	NED
Alternate Director					
*Jacques Toupas, Alternate of Marc Ladreit de Lacharrière	M	41	4/5	France	NED

NEC - Non-Executive Chairman **NED** - Non-Executive Director
INED - Independent Non-Executive Director **ED** - Executive Director

Focus Areas during the Year

Recurring Agenda Items

- Declaration of interests (as applicable)
- Minutes of proceedings of meetings
- Reports from chairmen of committees
- Quarterly investment reports, including economic updates of countries within which the Group operates, peer review and financial results

Governance and Risk

- Enterprise risk management and dashboards
- Whistle blowing policy
- Responsible supply chain management policy
- Board effectiveness survey
- Nomination of Directors
- Nomination of Board committee members
- Remuneration of the Directors
- Renewal of the insurance covers for the Group
- Update in the terms of reference of the Audit & Risk Committee

Strategy/Performance/Financial Monitoring

- Annual and quarterly financial statements
- Annual Report
- Budget review and approval
- Interim and final dividends
- Investment guidelines for subsidiaries
- CIEL's debt – Note Programme
- Definition of CIEL's Corporate Strategy
- Acquisition of Fortis Shares in C-Care (Mauritius) Ltd
- Acquisition of minority shares in CIEL Textile Limited the Supreme Court of Mauritius

Independence on the Board

The Corporate Governance, Ethics, Nomination & Remuneration Committee has defined a list of criteria to assess the independence of the non-executive independent Directors and has undertaken to perform this assessment annually. In its opinion, Catherine McIlraith and Pierre Danon still qualify as non-executive independent Directors since they have, amongst several criteria, demonstrated a strong independence in character and judgement in the discharge of their responsibilities, expressed their viewpoints, debated issues and objectively scrutinised/challenged management.

Board Processes and Attendance at Board/Committee Meetings

The dates of Board, committee and annual meetings are planned well in advance with the assistance of the company secretary. The Board meets at least four times a year and ad-hoc meetings may also be convened to deliberate on urgent substantive matters. Decisions of the Board are also taken by way of written resolutions.

Dedicated Committees Assisting the Board in its Duties

- The Board delegates certain roles and responsibilities to its committees. Whilst it retains the overall responsibility, committees probe subjects more deeply and then report on the matters discussed, decisions taken, and where appropriate, make recommendations on items requiring the approval of the Board. The committees play a key role in supporting the Board.

- The company secretary of the Board acts as secretary to these committees.

- Minutes of proceedings of committee meetings (except for the Corporate Governance, Ethics, Nomination & Remuneration Committee) are circulated to the Board and the chairs of each of the committees report verbally on their activities.

- The Board is satisfied that the committees are appropriately structured, skilled and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review according to their terms of reference.

- The terms of reference of the committees are updated as and when necessary. During the financial year, amendments were made to the terms of reference of the Audit & Risk Committee.

Strategic & Advisory Committee

Meetings
5

Members	Attendance
R. Thierry Dalais, Chairman	5/5
Damien Braud	4/5
Sébastien Coquard	5/5
P. Arnaud Dalais	5/5
Jean-Pierre Dalais	5/5
L. J. Jérôme De Chasteauneuf	5/5
Antoine Delaporte	5/5

The following changes occurred during the financial year:
- Resignation of Antoine Delaporte on 28 June 2019
- Nomination of Pierre Danon on 28 June 2019

Main Terms of Reference
- Share with management the key objectives for the enterprise and its investment and development strategies that reasonably meet these objectives
- Recommend strategies to be adopted and reflect on investments/divestments prior to making recommendations to the Board
- Ensure that effective and regular access exists for the debate of the Group's investment strategy options and changes thereto. The committee sees to a rigorous analysis and the application of relevant criteria/features in asset allocation and investment selection
- Ensure regular review and analysis of the Group's current asset allocation and the investment performance implied in its holdings
- Understand the ranking of investment and divestment choices available to the Group
- Understand and match the Group's investment strategy options with its financing and treasury strategies
- Be a forum to debate deal flow opportunities

Focus Areas during the Year
- Definition of CIEL's Corporate Strategy
- Definition of the Investment Guidelines for the subsidiaries
- Acquisition of Fortis Shares in C-Care (Mauritius) Ltd
- Acquisition of minority shares in CIEL Textile Limited through a Scheme of Arrangement sanctioned by the Supreme Court of Mauritius
- CIEL real estates strategic plan (still work in progress)
- Cash flow forecasts/debt refinancing
- Deep dive on C-Care (Mauritius) Ltd
- Annual budget review

Corporate Governance Report (Cont'd)

Financial Year ended 30 June 2019

Audit & Risk Committee

Meetings
4

Members	Attendance
Catherine McIlraith, Chairman	4/4
Pierre Danon	4/4
M. A. Louis Guimbeau	4/4

Main Terms of Reference

- Examine and review the quality and integrity of the financial statements (Company and Group) and any formal announcements relating to the Company's financial performance, before submission to the Board
- Review arrangements and modalities by which any staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting, ensuring that arrangements are in place for the proper investigation of such matters, and for appropriate follow up action
- Assess the robustness of the Company's internal control including internal financial control and business risk management
- Maintain an effective internal control system including the system(s) established to identify, assess, manage and monitor risks
- Approve appointment of internal auditor and their fees
- Evaluate and approve the annual internal audit work plan and consider reports pertaining to findings of internal audits on a periodic basis
- Oversee the process for selecting the external auditor, assess the continuing independence of the external auditor and approve the audit fees

CIEL Group Risk Oversight Committee

- Reports to the Audit & Risk Committee
- Ensures that the key risks of the five clusters of the Group are objectively prioritised
- Highlights the steps taken to address the key risks, drives implementation of control measures and ensures risks are reported on a timely, presentable and accurate manner

Focus Areas during the Year

- Audited accounts and management letter
- Risk report for the annual report
- Quarterly condensed financial statements and financial review document
- Updated terms of reference
- Internal audit plan and fees
- Internal audit charter
- Internal audit report
- Enterprise risk management policy
- Risk management report and risk dashboard
- Material litigation cases
- CIEL business continuity guidelines
- Insurance - audit report findings

Corporate Governance, Ethics, Nomination & Remuneration Committee

Meetings
3

Members	Attendance
Antoine Delaporte, Chairman	3/3
R. Thierry Dalais	3/3
Xavier Thiéblin	3/3

The following changes occurred during the financial year:

- Resignation of Antoine Delaporte on 28 June 2019
- Nomination of Pierre Danon as additional member and Chairman on 28 June 2019
- Nomination of P. Arnaud Dalais as additional member on 28 June 2019

Main Terms of Reference

- Recommend corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles
- Approve the bonus/remuneration for the Executives
- Recommend to the Board the Directors' remuneration, including the Chairman fee
- Recommend new Board and senior executive nominations
- Monitor the implementation of the code of ethics and set the tone for its implementation

Focus Areas during the Year

- Review of the corporate governance report
- Determine the executives' bonus
- Determine the Chairman fee
- Nominations on Board committees and subsidiaries
- Board effectiveness survey (results and action plan)
- CIEL Textile's succession plan

Corporate Sustainability Committee

Meetings
3

Members	Attendance
Roger Espitalier Noël, Chairman	3/3
Jean-Pierre Dalais	2/3
Hélène Echevin	3/3
Dev Sewgobind	2/3
Oumhany Sy	2/3

A sustainability forum, composed of representatives of the Group reports to the Corporate Sustainability Committee. As such, it was decided to reduce the composition of the Corporate Sustainability Committee, effective as from 15 February 2019.

Main Terms of Reference

- Define and approve the CIEL Group's environment and social policies
- Define and approve an environmental and social management system
- Supervise and implement any environmental and social action plans
- Identify and manage the environment and social risks of each of its main subsidiaries and material investee companies (and, on a best effort basis, of its other investee companies)
- Define actions to achieve compliance with the environmental and social in a defined timeframe
- Report the environment and social performances of the Company and each of its subsidiaries and material investee companies

Focus Areas during the Year

- Monitoring the implementation of CIEL's Environmental and Social Action Plan, including the establishment of a full-fledged sustainability governance structure within clusters of the Group
- Recommend the adoption of a responsible supply chain management policy to the Board and definition of the applicability criteria for supplier assessment
- CIEL's 2020 sustainability action plan and projects related thereto, including a listing on the SEMSI
- Definition of CIEL's sustainable growth strategy centered around its 3 core values
- Cluster sustainability reports and roadmaps
- Definition of common environmental & social assessment criteria and key performance indicators for the annual audit and data collection exercise at cluster level
- Digitalisation of the environmental & social audit process through an online self-assessment questionnaire
- Establishment of a crisis risk and reporting procedure on a group-wide basis
- Recommend adoption of a whistleblowing framework to the Board for implementation across the Group

FIND OUT MORE
www.cielgroup.com

Terms of Reference of Board Committees

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Step 1

- The Board charter provides that the Directors shall be a natural person of not less than 18 years old and not more than 80 years old.
- The Board charter also provides that the Chairman shall not be older than 75 years old and shall hold office for a period of five years and may, at the term of his office, be re-elected by the Board for a further period of five years or such other term as may be determined by simple majority of the Board.
- The chairmanship of P. Arnaud Dalais has been renewed until 24 January 2024.
- The Corporate Governance, Ethics, Nomination & Remuneration Committee recommends all new appointments on the Board and committees. Skills, knowledge, industry experience, diversity and independence are important factors that are being considered prior to recommending any appointment.

Step 2

- Board approval - The Directors have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed in accordance with this constitution.
- The Director appointed to fill up the vacancy or as an addition to the existing Directors shall hold office only until the next following annual meeting of shareholders and shall then be eligible for re-election.

Step 3

- Induction of the Directors upon appointment.

Step 4

- Board nomination submitted for approval by the shareholders at Annual Meeting ("AM").
- Directors are also re-elected annually at the AM by way of separate resolutions.
- Directors over the age of 70 are appointed at the AM in accordance with section 138(6) of the Companies Act 2001.

Induction of the Directors

The Board assumes its responsibility for the induction of newly appointed Directors, through a process which is facilitated by the company secretary. They undergo an induction programme under the guidance of the Chairman and the company secretary, which enable them to gain an in-depth understanding of the Company's business model, governance framework, activities and strategy. In addition to their letter of appointment, newly appointed Directors are encouraged to meet the CEOs of the Group and perform site visits to acquaint themselves with CIEL's operations and culture. All Directors have unrestricted access to the Company's records.

Directors' Profiles

The biographical details of the Directors of the Company are provided hereunder. The Board has decided to only disclose directorships in listed companies.

P. Arnaud Dalais

Chairman/Non-Executive Director, joined the Board in November 1991

Skills and Experience:

- Joined the CIEL Group in August 1977
- Appointed Group Chief Executive and Director in November 1991
- Under his leadership, the CIEL Group at large went through an important growth both locally and internationally
- Plays an active role at the level of the Mauritian private sector and has assumed the chairmanship of several organisations including the Joint Economic Council from 2000 to 2002 and Business Mauritius from 2015 to 2017

Directorships in other listed companies:
Alteo Limited, Sun Limited

Sébastien Coquard

Non-Executive Director, joined the Board in May 2014

Skills and Experience:

- Head of Investments at FFP, the listed investment company majority-owned by the Peugeot family
- Representative of FFP Invest on the Board of Directors of OPCI Lapillus II and IDI Emerging Markets SA and on the Advisory Board of IDI SCA
- Former representative of FFP Invest on the Board of Directors of Onet, Ipsos and LT Participations
- Director of FFP Investments UK Ltd
- Held long-term investments positions at Allianz France, worked at Oddo Corporate Finance on M&A and ECM transactions and in the corporate banking division of Paribas

Directorships in other listed companies:
IDI SCA

Guillaume P. A. Dalais

Non-Executive Director, joined the Board in June 2019

Skills and Experience:

- Joined the CIEL Textile Group in 2010
- Appointed Executive Director of the Knits cluster of the CIEL Textile Group in 2012
- Chief Executive Officer of the Knitwear cluster of the CIEL Textile Group since July 2016
- Former experience in the investment Banking sector by working at Métier Investments & Advisory Services in South Africa and CIEL Capital Limited in Mauritius

Directorships in other listed companies:
None

Jean-Pierre Dalais

Executive Director and Group Chief Executive, joined the Board in February 1995

Skills and Experience:

- Joined CIEL Group in January 1992 and is its Group Chief Executive since January 2017, overseeing all Group operations
- Was formerly Executive Director at CIEL, focusing particularly on the development of the Group's Hotels & Resorts, Financial Services and Healthcare clusters
- Before that, Jean-Pierre Dalais was the Chief Executive Officer of CIEL Investment Limited
- Graduated with an MBA from the International University of America, San Francisco, and previously worked at Arthur Andersen (Mauritius and France)

Directorships in other listed companies:
Alteo Limited, Phoenix Beverages Limited (Alternate Director), Sun Limited (Chairman)

Directors' Profiles (Cont'd)

Marc Dalais

Non-Executive Director, joined the Board in June 2017

Skills and Experience:

- Founder and Executive Chairman of Celero group, a leading logistics and shipping group operating mainly in Mauritius and Madagascar
- Previous International working experience with Nedlloyds shipping in RSA and the Bollore group in Paris
- Worked at IBL group as General Manager of a trading division then heading and growing its Aviation, Logistics & Shipping division in the Indian Ocean
- Served on boards of Mauritius Export Association and a company pioneering Freeport operations in Mauritius

Directorships in other listed companies:
None

R. Thierry Dalais

Non-Executive Director, joined the Board in August 2013

Skills and Experience:

- More than 30 years' experience in the financial services and private equity investment industry
- Co-founder of two private equity investment firms and acted as a key person and principal in numerous private investment programs over the last 25 years
- Former director and trustee on numerous boards, including listed companies in Mauritius and abroad
- Completed degrees in Commerce and Accounting at the University of the Witwatersrand and qualified as a Chartered Accountant in South Africa

Directorships in othaer listed companies:
Sun Limited

Pierre Danon

Independent Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Chairman of Solocal Group, the European leader in digital communication
- Chairman of Volia in Kiev, the Ukrainian leading cable and broadband company
- Former Chairman of Eircom in Dublin and TDC in Copenhagen, Vice Chairman of AgroGeneration, a public company listed on the Alternext of NYSE, Chief Operating Officer of the Capgemini Group, one of the world's foremost providers of consulting, technology and outsourcing services, Chief Officer of British Telecom Retail and non-executive Director of Standard Life in Edinburgh

Directorships in other listed companies:
None

L. J. Jérôme De Chasteauneuf

Executive Director and Group Finance Director, joined the Board in April 2012

Skills and Experience:

- Former working experience with PricewaterhouseCoopers in the UK, where he qualified as a Chartered Accountant
- Key leading position within the CIEL Group, becoming its Head of Finance in 2000
- Involved in the financial reengineering which accompanied the development of the CIEL Group
- Currently representing CIEL on numerous boards of subsidiaries

Directorships in other listed companies:
Alteo Limited, C-Care (Mauritius) Ltd, Harel Mallac & Co. Limited, Sun Limited

Roger Espitalier Noël

Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Former Corporate Sustainability Advisor of CIEL
- Former General Manager of Floreal Knitwear Limited
- Holds more than 35 years' experience in the textile industry
- Involved in the restructuring and restart of the Madagascar Production Units after the political unrest of 2001, and as from 2008, acting as consultant for the CIEL Textile Limited where his activities were focused on the environmental, logistics, utilities as well as the retail aspects of the Knits division

Directorships in other listed companies:
ENL Limited, Phoenix Beverages Limited (Alternate Director) and Phoenix Investment Limited (Alternate Director)

M. A. Louis Guimbeau

Non-Executive Director, joined the Board in July 1991

Skills and Experience:

- Held senior positions in different sectors of the Mauritian economy, gaining a vast experience in strategy development, administration, finance and accounting until his retirement in 2010
- Co-founder of La Meule Permaculture Farm in 2014, a sustainable living project
- Former Director of Sun Limited

Directorships in other listed companies:
None

J. Harold Mayer

Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Chief Executive Officer of the CIEL Textile group since 2006
- He joined CIEL Textile in 1990 and has been holding key positions within the Group since then. He started his career as Head of Finance of New Island Clothing and was promoted General Manager of Aquarelle Clothing Ltd in 1995. He was also Chief Operating Officer of the clothing operations
- He is a qualified Chartered Accountant and holds a bachelor's degree in commerce

Directorships in other listed companies:
Sun Limited, Omnicane Limited

Marc Ladreit de Lacharrière

Non-Executive Director, joined the Board in September 2014

Skills and Experience:

- Founder of Fimalac, a formerly listed company held by Group Marc de Lacharrière, which operates in four business areas: capital investment with Warburg Pincus, digital media in entertainment through Webedia, entertainment with the organisation of shows and venue management (FIMALAC Entertainment), and leisure activities and hotels through the Group Barrière
- Former Executive of Banque de Suez et de l'Union des Mines, which was renamed Indosuez following the integration of Banque de l'Indochine
- Former CFO of L'Oréal where he progressively became Vice-Chairman Deputy CEO

Directorships in other listed companies:
None

Directors' Profiles (Cont'd)

Catherine McIlraith

Independent Non-Executive Director, joined the Board in January 2015

Skills and Experience:

- Member of the South African Institute of Chartered Accountants since 1992
- Fellow Member of the Mauritius Institute of Directors
- Serves as an Independent Non-Executive Director and as a member of various Committees of several public and private companies in Mauritius, South Africa and England
- Served her Articles with Ernst & Young in Johannesburg before joining the investment banking industry where she held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg
- Former Head of Banking at Investec Bank (Mauritius Branch)

Directorships in other listed companies:
Astoria Investments Ltd, Grit Real Estate Income Group Limited, Les Gaz Industriels Ltd, Paradise Property Investments Ltd, The Mauritius Union Assurance Company Limited, MUA Limited, Barak Fund SPC Limited

Jean-Louis Savoye

Non-Executive Director, joined the Board in September 2017

Skills and Experience:

- Deputy General Manager of Dentressangle, a French *société par actions simplifiée* which is the investment holding company of the Dentressangle family
- Has been instrumental in helping Dentressangle to realise its investment strategy during the last 15 years
- Prior to joining Dentressangle in 2003 as CFO, Jean-Louis Savoye, served with PwC and ran due diligences acquisitions in M&A for various Private Equity firms and French leading industrial companies
- Is a graduate of the Toulouse Business School with a major in Finance

Directorships in other listed companies:
Sun Limited, Tessi

Xavier Thiéblin

Non-Executive Director, joined the Board in December 2013

Skills and Experience:

- Started in the banking sector before joining, in 1970, *Société Sucrière de Quartier Français*
- Former Chairman of that group which became a major player of the sugar industry
- Played important roles in the sectors of sugar and rum, in Réunion island, Paris and Brussels
- Manages and administers several companies, including OXACO, a family holding which invests in the Indian Ocean and Europe and assumes some professional responsibilities in several enterprises

Directorships in other listed companies:
None

Jacques Toupas

Joined the Board as Alternate Director of Marc Ladreit de Lacharrière in February 2016

Skills and Experience:

- Joined Fimalac Group in 2009. Member of its investment team and responsible of the financial portfolio monitoring and investment
- Serves as Board member of various Fimalac Group's subsidiaries
- Former working experience in investment banking, both in Paris and London and started his career at Arthur Andersen in Paris as a financial auditor prior to moving to PwC as a senior auditor and later as a manager in the Transaction Services department
- Worked in Private Equity as a manager at European Capital

Directorships in other listed companies:
None

Senior Management Team of CIEL and CEO's of CIEL's Subsidiaries

Jean-Pierre Dalais
Group Chief Executive of CIEL - Refer to Directors' Profiles

L. J. Jérôme De Chasteauneuf
Group Finance Director of CIEL - Refer to Directors' Profiles

J. Harold Mayer
Chief Executive Officer of CIEL Textile - Refer to Directors' Profiles

François Eynaud
Chief Executive Officer of SUN

François Eynaud is the Chief Executive Officer of SUN since 1 September 2019. Prior to joining SUN, François Eynaud was the CEO of Veranda Leisure & Hospitality ("VLH"), managing the Hotels Division of Rogers Group, where he spent 11 years. Prior to joining VLH, he had spent 14 years with CIEL Textile where he was Executive Director at Tropic Knits. François Eynaud was President of AHRIM (the National Hotel Association) in 2013 and 2014. Prior to returning to Mauritius in 1991, François Eynaud has worked 7 years at SAGEM France as Export Director, Country Manager in the Caribbean and the UK. He holds a French Business School Diploma (Institut Commercial de Nancy – ICN).

Marc-Emmanuel Vives
Chief Executive Officer of CIEL Finance

Marc-Emmanuel Vives has joined CIEL Finance Limited as its CEO in September 2014, bringing with him more than 25 years' experience at Société Générale ("SG"). After initial steps within the General Inspection of the group, he spent the next 18 years of his career in various assignments in emerging countries, first in Argentina as Commercial Director, then as Chairman and CEO of SG Argentina. Moved then to Russia as CEO of SG Vostok, before becoming First Deputy Chairman of Rosbank, and finally to India as Country Manager. Holds a master's Degree in Business Administration from HEC Business School France and a degree in History from Sorbonne University in Paris.

Hélène Echevin
Chief Executive Officer of CIEL Healthcare

Since 1 July 2019, Hélène Echevin is the Chief Executive Officer of CIEL Healthcare Ltd which regroups all our healthcare activities – C-Care (Mauritius), IMG (Uganda) and Hygeia (Nigeria). In this capacity, she is also the Executive Chairman of C-Care (Mauritius) Ltd and sits on the Board of Directors of CIEL Healthcare Limited. Since joining CIEL in March 2017, she has played a key role developing our healthcare portfolio and leading CIEL's operational excellence journey. Prior to joining CIEL, Hélène Echevin worked for Eclosia Group and Harel Mallac Group and counts 17 years of experience in operations and project management, at both company and corporate levels.
She holds an engineering degree in Food Technology from Polytech, France and completed her academic skills by an executive management program at INSEAD. Hélène Echevin was the first lady President of the Mauritius Chamber of Commerce. She is a member of the board of Maurilait Ltd and MARENA.

Professional Development

As part of their duties as Directors, it is critical for Board members to have a thorough knowledge of the environment within which the clusters of the Group operate. An investment report is issued to the Directors on a quarterly basis; it includes economic updates on countries within which the Group operates, peer review and financial results. No other training was offered to the Directors.

Succession Planning

The Board assumes its responsibility for the succession planning of its clusters' leaders, which is a systematic effort and process of identifying and developing candidates for key leadership positions over time to ensure the continuity of management and leadership in an organisation. The objective of succession planning is to ensure that the organisation continues to operate successfully when individuals occupying critical positions and hard to replace competencies depart. As part of its terms of reference, the Corporate Governance, Ethics, Nomination & Remuneration Committee has reviewed the succession plan for key executives of the Group.

It has identified Top 10 roles to kick-start the succession planning process as part of a long-term initiative to prepare potential candidates. Incumbents in the current Top 10 roles were consulted for their inputs on succession plan. The committee will track and monitor the progress achieved in the implementation of the succession plan. The successors were identified in 4 categories, namely:

Emergency	The individual is ready to step in to the role/job/position in case of an emergency vacancy but may not be the most suitable long-term successor. Typically oversees role for 3-6 months pending permanent replacement.
Ready Now	This indicates that this employee was in the highest level of readiness and could transition into the role with minimal development.
Ready C + 1	The employee will be ready for the role within the next two to three years and may include one additional role or assignment for development purposes.
Ready C + 2	The employee will be ready for the role in 3 to 5 years and may include one or two additional roles or assignments for development purposes.

Corporate Governance Report (Cont'd)

Financial Year ended 30 June 2019

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

Directors are made aware of their legal duties upon their appointment and are reminded of same annually by the company secretary when asked to update the register of interests. Several documents and policies have also been implemented to help them fulfil their roles, namely, the code of ethics, conflict of interest/related party transactions policy, share dealings policy and Board charter.

Directors' and Officers' Liability Insurance

A Directors' and Officers' Liability insurance policy has been subscribed by CIEL covering the Company, its subsidiaries and some of its associates.

Conflict of Interests/Related Party Transactions Policy

Transactions with related parties are disclosed in the financial statements. A Conflict of Interest/Related Party Transactions Policy has been approved by the Board to ensure that the deliberations and decisions made by CIEL are transparent and in the best interests of the Company. It also aims to protect the interests of the Officers from any appearance of impropriety and to ensure compliance with statutory disclosures and law. Notwithstanding the above, Directors of CIEL are also invited by the company secretary, on an annual basis, to notify the Company of any direct and indirect interest in any transactions or proposed transaction with the Company. Declarations made by the Directors are entered in the interests' register which is maintained by the company secretary; same is available for inspection by the shareholders upon written request to the company secretary.

Information, Information Technology and Information Security Governance

Board Information

The Chairman, with the assistance of the company secretary, ensures that Directors receive the necessary information for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

Information Technology Policy

An Information Technology Policy has been created using accepted standards (ITIL and COBIT 5) to regulate the use, security standards, control and access rights for the entities of CIEL, hosted at the Company's head office in Ebène. The Information Technology Policy, as approved by the Board, is being implemented, monitored and revised as needed by the IT and Digital Officer. The document has been circulated to all the staff using the Information Technology Infrastructure at Company's head office in Ebène, and awareness sessions are planned in a timely manner for them to commit to it. Even though each cluster of the Group operates its own IT policy, a Group IT Forum has been launched by CIEL, whereat critical IT-related issues are debated from a Group-wide perspective. For example, CIEL Finance cyber security forum has been extended to all companies of the Group. A budget for information technology is allocated annually, based on business needs for each financial year.

EU General Data Protections Regulations

In compliance with the EU General Data Protection Regulations ("GDPR") and the Data Protection Act 2017, CIEL has approved (i) a Group Data Privacy Policy ("Group Policy") with a view to promoting a privacy culture within the Group and ensuring that all clusters, business units and employees protect the privacy of personal information of individuals in their daily operations and (ii) a Personal Data Breach Policy to define the methodology for assessing the severity of any potential personal data breach, the escalation process when discovering a breach and the procedures to notify the relevant authorities in the event of a breach.

The Group Policy defines the Group's requirements regarding the collection, storage, use, transmission, disclosure to third parties and retention of personal information. The Group Policy is used as a general guideline to the clusters and business units, which remain responsible to adopt their own policies on data privacy to address the specific context of their respective activities without derogating from the core principles.

Anusha Dabee-Ramphul, Barrister-at-law, who forms part of the legal team at CIEL Corporate Services Ltd has been appointed Group Data Protection Officer. She monitors compliance with and provide advice on the data protection laws as well as coordinate with the supervisory authority.

Share Dealing Policy

Directors ensure that their dealings in the shares of the Company are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors of Listed Companies, as detailed in Appendix 6 of Listing Rules of the SEM. In that spirit, the Board has approved a Share Dealing Policy that reiterates the procedures to provide clear guidance to the Directors and Officers of CIEL on the practice to be followed when dealing in shares of the Company to avoid the abuse of price-sensitive information (insider dealing). Directors are strictly prohibited to deal in shares of the Company during close periods.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (Cont'd)

Board Evaluation

A board effectiveness survey was performed during the financial year by the financial services department of BDO, in association with Insync Surveys, using a benchmark survey approach. The following steps were followed:

Step 1	• 40 survey statements were identified (ensuring new questions used v/s the past survey performed), most, if not all of which, were selected from the consultant's standard 120 benchmarked board effectiveness survey statements and which were responded to on a 1 to 7 Likert scale (1 : strongly disagree through to 7 : strongly agree). • Five qualitative questions were also included at the end of the survey. • The questions were validated by the Corporate Governance, Ethics, Nomination and Remuneration Committee prior to launching the survey.
Step 2	• Directors were provided with sufficient time to respond to the survey in on-line format. • Anonymity was provided in respect of the Directors' responses. • The survey responses were benchmarked against top performing companies worldwide.
Step 3	• Two reports were submitted by the consultant, namely (i) the results of the survey and (ii) identification of areas of improvements.
Step 4	• The two reports were analysed by the Corporate Governance, Ethics, Nomination & Remuneration Committee and further reported at Board level. • Findings were presented and discussed with Board members.
Step 5	• An action plan was identified, based on the outcome of the report to address gaps identified.

Statement of Remuneration Policy

The Board has approved a policy that sets the purpose, process, performance measures and quantum for the remuneration of its Directors. CIEL strives towards remunerating its Directors in a manner that supports the achievements of CIEL's strategic objectives, while attracting and retaining scarce skills and rewarding high levels of performance. The Corporate Governance, Ethics, Nomination & Remuneration Committee determines the adequate remuneration to be paid to the Directors.

Directors' Fees/Statement of Remuneration Policy

Non-Executive Directors (except for the Chairman of the Board) receive a retainer fee reflecting the workload, the size and the complexity of the business as well as the responsibility involved. The following fees were paid to the Non-Executive and Independent Directors for the financial year under review:

Director Fee (Non-Executive and Independent)	MUR 350,000
Chairman of the Corporate Governance, Ethics, Nomination & Remuneration Committee	MUR 150,000
Other members of the Corporate Governance, Ethics, Nomination & Remuneration Committee	MUR 100,000
Chairman of the Strategic & Advisory Committee	MUR 400,000
Other members of Strategic & Advisory Committee	MUR 300,000
Chairman of the Audit & Risk Committee	MUR 350,000
Other members of the Audit & Risk Committee	MUR 200,000
Chairman of the Corporate Sustainability Committee	MUR 400,000

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (Cont'd)

Directors' Fees/Statement of Remuneration Policy (Cont'd)

The remuneration of the Executive Directors is composed of a basic pay and an incentive scheme linked to (i) market capitalisation growth with an annual high watermark principle, (ii) annual ordinary dividend pay out and (iii) Group profit after tax. The main objective of that scheme is to motivate the executives towards increasing the total value of the Company and reward them for the creation of long-term value. The bonus is payable either in cash or in ordinary shares, out of the treasury shares held by the Company. The Executive Directors are remunerated by CIEL Corporate Services Ltd (a wholly-owned subsidiary of CIEL), with which CIEL holds an agreement for the provision of combined corporate services and strategic support.

The Chairman of the Board receives a monthly chairman fee and an incentive scheme linked to (i) market capitalisation growth with an annual high watermark principle, (ii) annual ordinary dividend pay out and (iii) Group profit after tax. As from 1 July 2019, the profit bonus element that he is entitled to, will be relinquished and he will receive only a fixed Chairman fee, payable by CIEL. He shall also be entitled to Directors fees on subsidiaries where he represents CIEL as non-executive director.

Also, as from financial year ending 2020, the annual fee payable to the independent non-executive Directors will increase from MUR 350,000 to MUR 400,000. The Director fee payable to non-executive Directors shall remain unchanged at MUR 350,000.

The Board believes that the remuneration of individual Directors is sensitive information and has resolved not to disclose such information in the Annual Report. For the remuneration and benefits received, or due and receivable by the Directors of the Company and its subsidiaries as at 30 June 2019, please refer to the section Statutory Disclosures made pursuant section 221 of the Mauritius Companies Act 2001.

FIND OUT MORE
www.cielgroup.com

Share Dealing Policy · Conflict of Interest · Related Party Transactions Policy · IT Policy

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk Management

The Board has the ultimate responsibility for risk governance and internal control systems as well as determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, while ensuring that an appropriate risk culture has been embedded throughout the Group. CIEL's Enterprise Risk Management ("ERM") has been designed to facilitate the identification, assessment and mitigation of the inherent business risks to which the Company is exposed, while providing reasonable assurances pertaining to compliance with regulatory obligations, reliability of financial information and safeguarding of assets under management. The ERM is not intended towards eliminating such risks but can be considered as an adequate protection against material misstatement or loss which might result from adverse events. The ERM governance structure and identification of the keys risks for the Company and how they are managed are detailed in the Risk Report.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Since 2017, CIEL has adopted the integrated reporting format to provide additional and transparent information to its stakeholders. It has been developed following the guidelines of the International Integrated Reporting Council ("IIRC"). The annual report provides key information - considered material at Group level - to understand and assess the governance, performance, and strategy of our Group and its five clusters. More in-depth information can be found in each company's Annual Report.

The Directors affirm their responsibilities in preparing the Annual Report and the Financial Statements of the Company and its subsidiaries which comply with International Financial Reporting Standards and the Mauritius Companies Act 2001. The Board also considers that taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess CIEL's position, performance and outlook. Please refer to the Statement of Directors' Responsibilities.

PRINCIPLE 6: REPORTING WITH INTEGRITY (Cont'd)

Charitable and Political Contributions

	THE COMPANY		SUBSIDIARIES	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Charitable*	**2,199**	225	**14,754**	13,819
Political	**-**	475	**393**	1,000

*Includes CSR donations which have been channelled to Fondation CIEL Nouveau Regard ("FCNR"), registered as a special purpose vehicle accredited to receive CSR contributions.

Environment, Health and Safety

The Group aims to act as a good employer in providing and maintaining a safe and healthy work environment for all its employees. The objective being the optimisation of work efficiency and the prevention of accidents at work, through the implementation of safety standards in all its operations across the Group. In this respect, the Corporate Sustainability Committee assists the Board in fulfilling its oversight responsibilities by monitoring and reviewing performance and recommending for approval policies and management systems with respect to health, environmental, safety and social responsibility related matters affecting the whole Group.

CIEL strongly believes in the protection of the environment and as such, offers its shareholders the opportunity to receive communications electronically. Under the Practice Directions issued by the Registrar of Companies, CIEL seeks the written consent prior to implementing such a procedure. Shareholders are encouraged to choose that option which will result in a significant reduction in the consumption of paper and impact positively on the environment, in addition to a significant reduction in costs.

PRINCIPLE 7: AUDIT

External Audit

PricewaterhouseCoopers ("PwC") is the external auditor of CIEL. PwC was appointed external auditor of the Group, in replacement of BDO & Co, at the annual meeting of shareholders held in December 2017 and has been re-appointed auditor by the shareholders of CIEL at the annual meeting held in December 2018. Significant audit issues are discussed at the Audit & Risk Committee, which are reported under the Key Audit Matters in the auditors' report. Furthermore, critical policies, judgements and estimates are brought to the attention of the members and discussed with the external auditors during Audit & Risk Committees, especially when the audited accounts of the Company and Group are tabled for consideration.

External Audit (Cont'd)

The Audit & Risk Committee regularly meets the external auditors in the presence of management since it has no impact on the objectivity of the meeting. It has considered that if the need arises, they would meet the auditors without management.

The fees paid to the auditors for audit and other services for the financial year are described under Other Statutory Disclosures. The non-audit services provided by the external auditors relate mainly to tax computation, compliance and transaction advisory. Hence, the objectivity and independence of the external auditors are safeguarded since the teams involved are not the same as the one providing audit services.

The Board is satisfied that the members of the Audit & Risk Committee have financial expertise to fulfil their duties and that they have effectively discharged their responsibilities during the year under review according to their terms of reference.

Internal Audit

Following a restricted tender exercise and upon recommendations of the Audit & Risk Committee, the Board of CIEL has, on 29 June 2018, appointed EY as internal auditors of CIEL in replacement of KPMG Advisory Services Ltd at the end of their three-year assignment. EY reports to the Audit & Risk Committee and maintains an open and constructive line of communication with management.

During the year under review, EY performed the following assignment:

- CIEL Limited-Review of the financial close and SEM Listing Rules Procedures.

The internal auditors have unlimited access to the Company's records and management.

Corporate Governance Report (Cont'd)

Financial Year ended 30 June 2019

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Shareholding Structure/Cascade Holding Structure

Issued Stated Capital as at 30 June 2019

As at 30 June 2019, CIEL had in issue (i) 1,689,901,209 Ordinary Shares (of which 29,627,395 were held as treasury shares) and (ii) 3,008,886,600 Redeemable Restricted A Shares ("RRAS").

Shareholding Structure as at 30 June 2019

Based on 1,660,273,814 Ordinary Shares issued (excluding treasury shares) – Ordinary Shares represent **35.56%** of the total shareholding of CIEL (Ordinary + RRAS)

Direct Shareholders holding > 5% of the Ordinary Shares

8.10%
Société de Mercoeur
(P. Arnaud Dalais family)

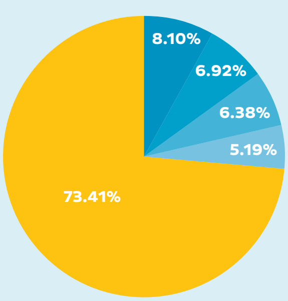
6.92%
FFP Invest
(Peugeot family)

6.38%
Hugnin Frères Ltd
(Hugnin family)

5.19%
Di Cirne Holding Ltd
(Dentressangle family)

73.41%
Others/Public

Note 1 – P. Arnaud Dalais also held shares under his name bringing his total shareholding to 8.14% of the Ordinary Shareholding
Note 2 – Jean-Pierre Dalais, under his personal name and that of his family société (Société Letellier), held 5.10% of the Ordinary Shareholding



Percentage Holding

- Société de Mercoeur
- FFP Invest
- Hugnin Frères Ltd
- Di Cirne Holding Ltd
- Others/Public

Ordinary Shares
Hold voting rights/Listed on the Stock Exchange of Mauritius/Entitled to dividends

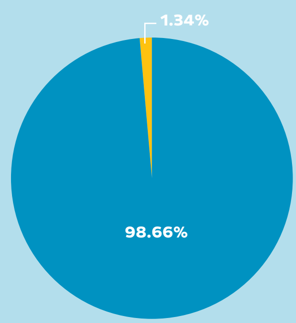
Based on 3,008,886,600 RRAS – RRAS represent **64.44%** of the total shareholding of CIEL (Ordinary + RRAS)

Direct Shareholders holding > 5% of RRAS

98.66%
Deep River Ltd

1.34%
Others/Public

Note 3 – Deep River Ltd is controlled by Deep River Holding Ltd (a family holding enterprise)



Percentage Holding

- Deep River Ltd
- Others/Public

RRAS
Hold voting rights/Not listed on the Stock Exchange of Mauritius/Not entitled to dividends

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (Cont'd)

Shareholding Structure/Cascade Holding Structure (Cont'd)

Issued Stated Capital Post 30 June 2019

As at reporting date, CIEL has in issue (i) 1,689,901,209 Ordinary Shares (of which 5,599,449 are held as treasury shares) and (ii) 3,008,886,600 Redeemable Restricted A Shares ("RRAS"). Ordinary shares of CIEL were issued to minority shareholders of CIEL Textile Limited, out of the CIEL treasury shares, as part consideration for the purchase of their shares in CIEL Textile Limited, under a Scheme of Arrangement sanctioned by the Supreme Court of Mauritius.

Common Directors Within the Holding Structure as at 30 June 2019

In April 2019, Synora Investment Limited sold its entire shareholding in CIEL, following which Antoine Delaporte, its representative, resigned from the Board. Guillaume P. A. Dalais was appointed as representative of Deep River Ltd on the Board on 28 June 2019.

	Société de Mercoeur	FFP Invest	Hugnin Frères Ltd	Di Cirne Holding Ltd	Deep River Ltd	Deep River Holding Ltd
P. Arnaud Dalais	Administrator				Chairman	Chairman
Sébastien Coquard		Nominee				
Guillaume P. A. Dalais						Director
Jean-Pierre Dalais					Director	Director
Marc Dalais					Director	Director
R. Thierry Dalais					Director	Director
M. A. Louis Guimbeau					Director	
Roger Espitalier Noël			Director		Director	Director
Jean-Louis Savoye				Nominee		
Xavier Thiéblin					Director	

Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius, more than 25% of the shareholding of CIEL is in the hands of the public.

Directors' Interests in the Shareholding of CIEL as at 30 June 2019

Shareholding as at 30 June 2019	Direct No of Ordinary Shares	Indirect No of Ordinary Shares
P. Arnaud Dalais	678,518	134,487,038
Sébastien Coquard	Nil	Nil
Guillaume P. A. Dalais	603,860	134,487,038
Jean-Pierre Dalais	29,479,887	61,540,938
Marc Dalais	15,315,520	Nil
R. Thierry Dalais	Nil	38,819,460
Pierre Danon	Nil	1,049,138
L. J. Jérôme De Chasteauneuf	11,054,633	7,225
Roger Espitalier Noël	21,005	2,167,409
M. A. Louis Guimbeau	11,361,365	Nil
Marc Ladreit De Lacharrière	Nil	50,263,138
J. Harold Mayer	3,517,694	Nil
Catherine McIlraith	Nil	Nil
Jean-Louis Savoye	Nil	Nil
Xavier Thiéblin	Nil	33,736,500
Alternate Director		
Jacques Toupas	Nil	Nil

Corporate Governance Report (Cont'd)

Financial Year ended 30 June 2019

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (Cont'd)

Shareholding Structure/Cascade Holding Structure (Cont'd)

Net Transactions during the Year	Direct No of Shares	Indirect No of Shares
P. Arnaud Dalais	5,211	33,638,031
Guillaume P. A. Dalais	Nil	37,957,793
Jean-Pierre Dalais	1,256,166	33,440,124
Marc Dalais	1,600,000	Nil
Pierre Danon	(367,701)	Nil
L. J. Jérôme De Chasteauneuf	8,696,847	7,225
M. A. Louis Guimbeau	(250,000)	Nil
Xavier Thiéblin	Nil	3,000,000

The following Directors hold shares in Deep River Ltd:

Shareholding as at 30 June 2019	Direct No of Redeemable B Shares	Indirect No of Redeemable B Shares
M. A. Louis Guimbeau	43,740,000	Nil
Xavier Thiéblin	Nil	124,946,000

The following Directors hold shares in Deep River Holding Ltd:

Shareholding as at 30 June 2019	Direct No of Redeemable Shares	Indirect No of Redeemable Shares
P. Arnaud Dalais	-	460,852,228
Jean-Pierre Dalais	26,427,880	245,389,000
Marc Dalais	56,336,464	-
R. Thierry Dalais	-	155,277,840
Roger Espitalier Noël	10,000	3,484,200

Shareholders' Agreements

Following a private placement which was completed in May 2014, the Company entered into shareholders' agreements with some of the main strategic investors to provide amongst other things some usual reserved matters, seats on Board and sub-committees of the Board and tag along rights.

Third Parties Agreements

- CIEL holds an agreement with CIEL Corporate Services Ltd ("CCS") (a subsidiary of CIEL) for the provision of strategic support & Group strategy harmonisation, legal, company secretarial and payroll services to the companies of the Group. Amount paid to CCS for the financial year ended 30 June 2019 - MUR 47.2M.
- CIEL holds a treasury agreement with Azur Financial Services Ltd (a subsidiary of CIEL) for the provision of cash management services, treasury advisory services and foreign exchange & money market brokerage services to the Group. CIEL pays a fixed monthly fee for the cash management together with a variable fee, based on the volume of intercompany transactions processed by Azur Financial Services Ltd for the Group. Amount paid to Azur Financial Services Ltd for the financial year ended 30 June 2019 – MUR 0.9M.

Dividend

Policy: A minimum of 75% of net profits after tax of the Company, depending on the cash flow and financial needs	**Final dividend** – June 2019 MUR 0.14 per share (2018: MUR 0.13 per share)
Interim dividend – December 2018 MUR 0.07 per share (2018: MUR 0.07 per share)	**Total dividend** paid for the year – MUR 0.21 per share (2018: MUR 0.20 per share)

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (Cont'd)

Key Stakeholders

CIEL is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner. CIEL's key stakeholders and the way it has responded to their expectations are described below:

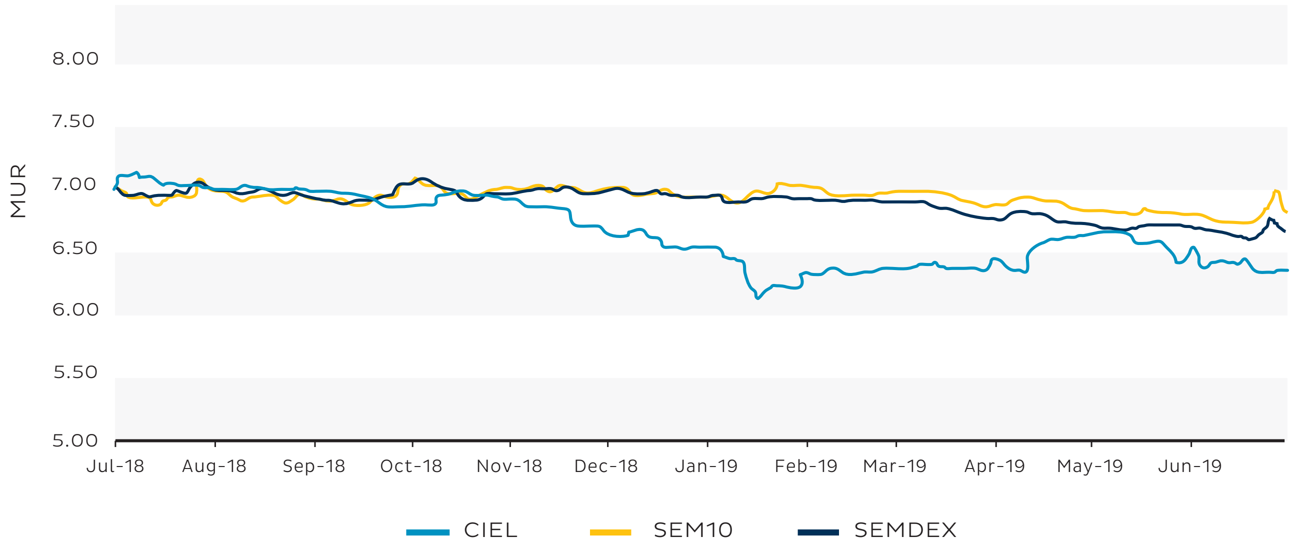
Shareholders	CIEL understands the importance of a transparent communication to its stakeholders and as such, has developed a website which provides a good presentation on the Group's activities, leadership, governance, initiatives etc. Shareholders are invited to attend the annual meeting which is the ideal forum of exchange with Board members and the auditors. In addition to usual agenda items, the Executive Directors make a presentation on the operations. Notices of annual meetings are sent to the shareholders within the prescribed delay imposed by law and are also published in the press. The annual report, which includes the notice of annual meeting, may also be viewed on the Company's website. The Company also publishes, on a quarterly basis, a financial review document together with its unaudited abridged financial statements. This document provides a detailed review on the clusters of the Group to facilitate the understanding of the financial results. Additionally, CIEL strives to promote dialogue through analysts' meetings which are conducted twice yearly with a presentation of the financial statements being made by the Executives of the Group.
Financial Partners	Communication with financial institutions and the financial community in general usually takes places through investor meetings. The main recurring topic of discussion is financial performance. The presentation made to financial analysts are also posted on CIEL's website.
Regulators	CIEL's business activities are conditional on regulatory requirements meaning that regulators have a high level of influence and interest in the Company's operations. The Company ensures at all times that it complies with regulatory provisions and guidelines in the conduct of its activities.
Employees of the Group	CIEL recognises that its workforce is key to its performance and development. During the year, an employee engagement survey has been launched within specific clusters of the Group which provides the basis for improvements in some areas.

Shareholders' Information and Calendar of Events

Event	Month
Financial year end	30 June
Annual Meeting of shareholders	December
Declaration/payment of dividend:	
– Interim	December/January
– Final	June/July
Publication of first quarter results	November
Publication of half-yearly results	February
Publication of third quarter results	May
Publication of full year results	September

During the financial year, shareholders were convened at (i) a Special Meeting on 31 May 2019 (multi-currency note programme) and (ii) the annual meeting on 18 December 2018. The notices, including the agenda, were published in the press, in line with statutory requirements, and posted on CIEL's website. The resolutions submitted to the approval of the shareholders at both meetings were approved.

Share Price Information



This report has been approved by the Board upon recommendation of the Corporate Governance, Ethics, Nomination & Remuneration Committee.

P. Arnaud Dalais
Chairman of the Board

Pierre Danon
Chairman of the Corporate Governance, Ethics, Nomination & Remuneration Committee

Clothilde de Comarmond, ACIS
Group Company Secretary
For and on behalf of CIEL Corporate Services Ltd

27 September 2019

Other Statutory Disclosures

(Section 221 of the Mauritius Companies Act 2001)

Principal Activity and History

CIEL Limited, formerly known as Deep River Investment Limited, incorporated on 31 August 1948, is a public company listed on the Official Market of the Stock Exchange of Mauritius since 4 February 2014. On 24 January 2014, CIEL Investment Limited was amalgamated with and into Deep River Investment Limited ("DRI"). DRI, as surviving company post Amalgamation, was renamed CIEL Limited. CIEL is also registered as a Reporting Issuer with the Financial Services Commission since the promulgation of the Securities Act 2005. CIEL is an investment holding company, with investments in five distinct clusters:

- CIEL Agro & Property
- CIEL Finance
- CIEL Hotels & Resorts
- CIEL Textile
- CIEL Healthcare

Directors' Service Contracts

The Executive Directors are remunerated by CIEL Corporate Services Ltd, a subsidiary of CIEL, with no expiry terms to their terms and conditions of their employment. The persons who held office as Directors of CIEL as at 30 June 2019 are disclosed in the corporate governance report.

Shareholding Profile

Ownership by Size of Shareholding	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
1 - 500	547	92,331	0.01
501 - 1,000	199	163,065	0.01
1,001 - 5,000	492	1,246,557	0.07
5,001 - 10,000	313	2,329,904	0.14
10,001 - 50,000	648	15,881,611	0.96
50,001 - 100,000	242	17,565,333	1.06
100,001 - 250,000	238	39,111,024	2.35
250,001 - 500,000	103	37,280,814	2.25
500,001 and above	218	1,546,603,175	93.15
Total	**3,000**	**1,660,273,814**	**100.00**
Ownership by category of shareholding	**Ordinary Shares**		
Category	**Shareholder Count**	**Number of Shares**	**Percentage Held**
Individuals	2,649	587,936,585	35.41
Insurance and Assurance Companies	18	63,731,853	3.84
Pension and Provident Funds	70	166,026,545	10.0
Investment and Trust Companies	49	157,649,919	9.50
Other Corporate Bodies	214	684,928,912	41.25
Total	**3,000**	**1,660,273,814**	**100.00**

The above number of shareholders is indicative due to consolidation of multi portfolios for reporting purposes.

Directors of Subsidiaries

Directors of subsidiaries as at 30 June 2019 are listed on pages 268 to 271 of the report.

Other Statutory Disclosures (Cont'd)

(Section 221 of the Mauritius Companies Act 2001)

Retirement Benefit Obligations

The details of the total amount of provisions booked or otherwise recognised by the Company are provided in the financial statements.

Directors' Remuneration and Benefits

	THE COMPANY		SUBSIDIARIES	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Directors of the Company				
Executive Directors	**-**	-	**46,588**	46,030
Non-Executive Directors	**5,450**	5,450	**44,644**	68,824
Independent Directors	**1,250**	1,250	**1,033**	997
Directors of Subsidiaries				
Executive Directors	**-**	-	**271,209**	245,495
Non-Executive Directors	**-**	-	**4,698**	4,235
Independent Directors	**-**	-	**5,213**	3,924

Audit Fees as at 30 June 2019

The fees paid to the auditor for audit and other services were as follows:

	THE COMPANY		SUBSIDIARIES	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Local External Auditors:				
Audit Fees - PwC	**783**	750	**17,505**	16,983
Audit Fees - BDO	**-**	-	**-**	1,320
Other Fees	**25**	970	**6,349**	15,269
Foreign External Auditors:				
Audit Fees	**-**	-	**9,718**	9,640
Other Fees	**-**	-	**2,598**	-

The fees in respect of other services pertain mainly to review of quarterly financial statements, tax computation and compliance, group accounts consolidation as well as fees paid regarding transaction advisor.

Related Party Transactions

Transactions with related parties are disclosed in detail in the financial statements.

Contract of Significance

There were no contracts of significance subsisting during or at the end of the year in which a Director of the Company is or was materially interested, either directly or indirectly.

Share Registry & Transfer Office

CIEL's Share Registry and Transfer Office is administered by MCB Registry & Securities Ltd. If you have any queries regarding your shares, wish to change your name or address, or have questions about lost certificates, share transfers or dividends, you may contact either your Investment Dealer or the Share Registry and Transfer Office, whose contact details are as follows:

MCB Registry & Securities Ltd
Ground Floor, Raymond Lamusse Building
9/11 Sir William Newton Street,
Port Louis
Tel: +230 202 5640

On Behalf of the Board

P. Arnaud Dalais	Catherine McIlraith
Chairman of the Board	*Chairman of the Audit & Risk Committee*

27 September 2019

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"): CIEL Limited ("CIEL"/"the Company")

Reporting Period: 30 June 2019

On behalf of the Board of Directors of CIEL, we confirm, to the best of our knowledge, that throughout the year ended 30 June 2019 and to the best of the Board's knowledge, the Company has partially complied with the obligations of the National Code of Corporate Governance for Mauritius (2016).

The area of non-compliance, whose reasons are included in the Corporate Goverance Report, is as follows, namely:

- Principle 4 – Remuneration of Directors

....

P. Arnaud Dalais
Chairman of the Board

....

Catherine McIlraith
Chairman of the Audit & Risk Committee

27 September 2019

Certificate from the Company Secretary

In our capacity as Company Secretary of CIEL Limited ("the Company''), we hereby confirm that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies as at 30 June 2019, all such returns as are required for a company in terms of the Mauritius Companies Act 2001, and that such returns are true, correct and up to date.

....

Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Ltd
Group Company Secretary

27 September 2019

Statement of Directors' Responsibilities

In Respect of the Preparation of Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Financial Statements in accordance with International Financial Reporting Standards ("IFRS") for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company.

The Directors confirm that, in preparing the Financial Statements, they have to:

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accurancy at any time the financial position of the Group and Company to enable them to ensure that the Financial Statements comply with the Mauritius Companies Act 2001, IFRS and the Financial Reporting Act 2004.

They are also responsible for safegarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of Directors on 27 September 2019.

On behalf of the Board,

P. Arnaud Dalais	Catherine McIlraith
Chairman of the Board	*Chairman of the Audit & Risk Committee*

FACTS
& FIGURES

"Going forward, CIEL is confident in its ability to sustain EBITDA growth across its portfolio. CIEL will continue its focus on selective capital allocation to enhance free cash flow generation. Through strict controls on capital expenditure and better working capital management within the Group, our objective is to maximise free cash flow, improve profitability, aim for an even lower debt to EBITDA ratio and achieve a healthy gearing ratio".

L.J. Jérôme de Chasteauneuf, CIEL Group Finance Director

Independent Auditor's Report

To the Shareholders of CIEL Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of CIEL Limited (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 30 June 2019, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

CIEL Limited's consolidated and separate financial statements set out on pages 122 to 267 comprise:

- the consolidated and separate statements of financial position as at 30 June 2019;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
The Company	
Valuation of investments in subsidiaries, associates, joint ventures and other financial assets	
As explained in notes 12, 13, 14 and 15 to the financial statements, the Company carries its investments in subsidiaries, associates, joint ventures and other financial assets at fair value in its separate financial statements. Management applies different approaches to estimating fair values of its investments. The valuation of the Company's investments in subsidiaries, associates, joint ventures and other financial assets held at fair value was a key area of audit focus due to their significance. Management makes significant judgement because of the complexity of the techniques and assumptions used in valuing its unquoted investments given the limited external evidence and unobservable market data available to support the Company's valuations.	For valuations which are dependent on unobservable inputs, we evaluated the assumptions, methodologies and models used by the Company. We performed an independent valuation of a sample of positions, in order to assess whether management's valuations were within a reasonable range of outcomes in the context of the inherent uncertainties disclosed in the financial statements. We also involved our valuation experts to review the appropriateness of the methodologies used in the context of the relevant investments held.

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
The Group	The Group
Impairment of goodwill The Group has goodwill, after impairment, totalling MUR 1.4 billion, as at 30 June 2019, arising from past business combinations. The goodwill was impaired for an amount of MUR 1.9 billion during the year ended 30 June 2019. As disclosed in note 11 to the financial statements, management assessed goodwill for impairment at 30 June 2019, using a discounted cash flow model to determine the recoverable amount of each cash-generating unit to which the goodwill relates. This requires the use of a number of key assumptions and judgements, including the estimated future cash flows, long-term growth rates, profitability levels and discount rates applied. This was an area of focus in light of the amounts involved and the level of judgement and estimation required. The reasonableness of the recoverable values assigned to each cash-generating unit tested was assessed on a sample basis. We tested the assumptions in the cash flows models against our independently derived expectations, which were based on historical experience of the businesses, as well as expectations for the markets in which the individual businesses operate. In order to assess the reasonableness of the forecasted cash flows in the models, we compared the budgeted figures to the actual experience of the businesses, where applicable. We assessed the reasonableness of the terminal growth rates against the market expected long-term growth rates. We evaluated the reasonableness of the discount rates in the cash flow models against a range of discount rates independently calculated by us, based on the markets in which the businesses operate, taking into account the nature of the individual businesses. We verified the integrity and mathematical accuracy of the discounted cash flows models. We assessed whether appropriate disclosures were made by management in the financial statements with regards to the inherent uncertainties in the calculation.	**Determination of expected credit losses on loans and advances carried at amortised cost** As from 01 July 2018, the Group has applied IFRS 9 'Financial Instruments' which requires the recognition of Expected Credit Losses ('ECL') rather than incurred credit losses on financial assets carried at amortised cost. The new standard introduced a fundamentally new and highly judgemental approach to determining credit losses on financial assets, particularly for the Group's banking segment. The Group relied on complex modelling and used a number of data points to determine the ECL on loans and advances carried at amortised cost. The data was sourced from a number of systems not used previously for financial accounting and reporting purposes. This increases the risk around completeness and accuracy of certain data used to create assumptions and operate the models. Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of a financial asset, depending on the categorisation of the individual asset. As disclosed in Note 2 of the financial statements, the key areas of significant management judgement and estimates within the ECL calculations include input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). With the assistance of our actuarial experts, we assessed the input assumptions applied within those models by agreeing the key inputs used in the models to the supporting documentation and independent extraction made from the system. We further assessed the appropriateness of relative stages of the ECL model through independent re-performance and validation procedures. In addition, we tested the integrity of critical data used at year-end to calculate ECL by verifying it to the relevant systems. We performed risk- based substantive testing of the models, including independently re-building certain assumptions. Where collaterals were used, we have also assessed the reasonableness of their recoverability. We evaluated the adequacy of the disclosures in the financial statements for compliance with the financial reporting standards.

Independent Auditor's Report (Cont'd)

To the Shareholders of CIEL Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Other Information

The directors are responsible for the other information. The other information comprises the corporate governance report, the other statutory disclosures (section 221 of the Mauritius Companies Act 2001), the statement of compliance, the statement of directors' responsibilities in respect of the preparation of financial statements, the certificate from the company secretary and the risk report but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and other reports, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other reports not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

In addition to the responsibilities described above and our work undertaken in the course of the audit, the Financial Reporting Act 2004 requires us to report certain matters as described below.

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the Company and some of its subsidiaries, and dealings in the ordinary course of business with some of the subsidiaries;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Robert Coutet
Licensed by FRC
PricewaterhouseCoopers

27 September 2019

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

YEAR ENDED JUNE 30, 2019

		THE GROUP		THE COMPANY	
		30 June 2019	30 June 2018	**30 June 2019**	30 June 2018
	Notes	**MUR'000**	MUR'000	**MUR'000**	MUR'000
REVENUE	4	**24,206,459**	22,608,499	**342,885**	446,267
Normalised earnings before interest, tax, depreciation and amortisation	5	**3,443,392**	2,952,622	**265,576**	365,268
Depreciation and amortisation		**(1,215,821)**	(1,165,936)	**-**	-
Normalised earnings before interest and tax		**2,227,571**	1,786,686	**265,576**	365,268
Impairment of goodwill	11	**(1,877,286)**	-	**-**	-
Impairment of other non-financial assets	11	**(200,841)**	-	**-**	-
Finance income	6	**32,138**	26,614	**668**	6,477
Finance costs	6	**(812,721)**	(780,711)	**(109,486)**	(98,339)
Share of results of joint ventures	13	**161,215**	272,237	**-**	-
Share of results of associates	14	**(283,096)**	74,084	**-**	-
(Loss)/profit before income tax		**(753,020)**	1,378,910	**156,758**	273,406
Income tax expense	36	**(436,041)**	(288,574)	**(899)**	(600)
(Loss)/profit for the year		**(1,189,061)**	1,090,336	**155,859**	272,806
(Loss)/profit attributable to:					
Owners of the parent		**(860,428)**	441,817	**155,859**	272,806
Non-controlling interests		**(328,633)**	648,519	**-**	-
		(1,189,061)	1,090,336	**155,859**	272,806
Basic and diluted (loss)/earnings per share	8 MUR	**(0.52)**	0.27	**0.09**	0.17

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income (Cont'd)

YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP 2019 MUR'000	THE GROUP 2018 MUR'000	THE COMPANY 2019 MUR'000	THE COMPANY 2018 MUR'000
(Loss)/profit for the year		**(1,189,061)**	1,090,336	**155,859**	272,806
Other comprehensive income:	28				
Items that will not be reclassified to profit or loss:					
Impairment of property, plant and equipment	9	**(393,238)**	-	**-**	-
Deferred income tax on property, plant and equipment	31	**61,370**	-	**-**	-
Gain on revaluation of land and buildings		**65,954**	706,216	**-**	-
Deferred income tax on revaluation gain	31	**(12,322)**	(64,851)	**-**	-
Remeasurements of post-employment benefit obligations	32	**(94,099)**	52,122	**-**	-
Deferred income tax on remeasurements of post-employment benefit obligations	31	**1,522**	(17,902)	**-**	-
Change in the fair value of equity instruments at fair value through other comprehensive income	28	**(42,975)**	-	**(2,211,319)**	-
Share of other comprehensive income of associates and joint ventures	13, 14	**(35,338)**	79,366	**-**	-
Items that may be reclassified to profit or loss:					
Change in the fair value of available-for-sale financial assets	28	**-**	110,070	**-**	(1,038,546)
Currency translation differences	28	**(265,069)**	(366,794)	**-**	-
Cash flow hedges	28	**(33,646)**	(1,674)	**-**	-
Deferred income tax on cash flow hedges	31	**3,869**	(8,715)	**-**	-
Other comprehensive income for the year, net of tax		**(743,972)**	487,838	**(2,211,319)**	(1,038,546)
Total comprehensive income for the year		**(1,933,033)**	1,578,174	**(2,055,460)**	(765,740)
Total comprehensive income attributable to:					
Owners of the parent		**(1,398,752)**	756,201	**(2,055,460)**	(765,740)
Non-controlling interests		**(534,281)**	821,973	**-**	-
		(1,933,033)	1,578,174	**(2,055,460)**	(765,740)

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated and Separate Statements of Financial Position

YEAR ENDED JUNE 30, 2019

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	30 June 2018
	Notes	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Non-current assets					
Property, plant and equipment	9	**24,678,838**	25,116,821	**-**	-
Investment properties	10	**1,611,573**	1,548,101	**-**	-
Intangible assets	11	**1,702,272**	3,583,624	**-**	-
Investments in subsidiary companies	12	**-**	-	**14,005,297**	16,005,880
Investments in joint ventures	13	**1,718,847**	1,558,349	**43,896**	45,000
Investments in associates	14	**4,297,488**	4,746,720	**48,369**	27,214
Investments in other financial assets	15	**356,968**	382,976	**43,816**	86,763
Deposit on investments	16	**-**	-	**-**	43,318
Loans and advances to customers	23	**3,851,791**	4,424,600	**-**	-
Loans to banks	24	**-**	262,974	**-**	-
Investments in securities	25	**3,052,680**	2,253,396	**-**	-
Leasehold rights and land prepayments	17	**534,677**	538,322	**-**	-
Non-current receivables	18	**51,456**	30,379	**-**	-
Deferred income tax assets	31	**161,685**	95,427	**-**	-
		42,018,275	44,541,689	**14,141,378**	16,208,175
Non-current assets classified as held for sale	22	**12,726**	91,062	**-**	-
		42,031,001	44,632,751	**14,141,378**	16,208,175
Current assets					
Inventories	19	**3,842,766**	3,599,163	**-**	-
Trade and other receivables	20	**6,145,043**	5,941,246	**186,509**	291,788
Derivative financial instruments	43	**53,044**	124,837	**-**	-
Loans and advances to customers	23	**8,833,893**	6,969,261	**-**	-
Loans to banks	24	**413,309**	653,890	**-**	-
Investments in securities	25	**1,446,156**	727,240	**-**	-
Current income tax assets	36	**14,002**	11,492	**-**	-
Cash and cash equivalents	21	**6,204,956**	6,224,796	**318,921**	1,784
		26,953,169	24,251,925	**505,430**	293,572
TOTAL ASSETS		**68,984,170**	68,884,676	**14,646,808**	16,501,747

These financial statements have been approved for issue by the Board of Directors on 27 September 2019

P. Arnaud Dalais
Chairman

Catherine McIlraith
Chairman of the Audit & Risk Committee

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated and Separate Statements of Financial Position (Cont'd)

YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP 2019 MUR'000	THE GROUP 2018 MUR'000	THE COMPANY 2019 MUR'000	THE COMPANY 2018 MUR'000
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	26	**5,099,561**	5,072,296	**5,099,561**	5,072,296
Redeemable restricted A shares	27	**39,233**	39,233	**39,233**	39,233
Retained earnings		**5,115,438**	6,201,102	**2,271,796**	2,459,641
Revaluation, fair value and other reserves		**2,830,296**	3,307,689	**4,398,397**	6,615,089
		13,084,528	14,620,320	**11,808,987**	14,186,259
Less treasury shares	26	**(149,347)**	(234,263)	**(149,347)**	(234,263)
Owners' interest		**12,935,181**	14,386,057	**11,659,640**	13,951,996
Non-controlling interests		**9,195,956**	10,362,278	**-**	-
Total equity		**22,131,137**	24,748,335	**11,659,640**	13,951,996
Non-current liabilities					
Borrowings	30	**11,706,614**	11,696,430	**2,264,093**	1,670,152
Deferred income tax liabilities	31	**1,208,158**	1,135,809	**-**	-
Retirement benefit obligations	32	**797,035**	662,529	**-**	-
Deposits from customers	38	**667,338**	1,131,070	**-**	-
Provisions for other liabilities and charges	33	**130,420**	12,090	**-**	-
Other payables and deferred revenue	34	**193,702**	104,218	**-**	-
		14,703,267	14,742,146	**2,264,093**	1,670,152
Current liabilities					
Borrowings	30	**5,739,531**	5,104,146	**455,481**	639,313
Trade and other payables	35	**6,585,702**	6,067,764	**35,155**	26,720
Derivative financial instruments	43	**27,375**	45,027	**-**	-
Deposits from customers	38	**19,410,977**	17,824,389	**-**	-
Current income tax liabilities	36	**113,224**	123,311	**-**	-
Provisions for other liabilities and charges	33	**40,519**	15,992	**-**	-
Dividend payable	37	**232,438**	213,566	**232,439**	213,566
		32,149,766	29,394,195	**723,075**	879,599
TOTAL LIABILITIES		**46,853,033**	44,136,341	**2,987,168**	2,549,751
TOTAL EQUITY AND LIABILITIES		**68,984,170**	68,884,676	**14,646,808**	16,501,747
Net asset value per share (MUR)	8	**7.79**	8.76	**7.02**	8.49

These financial statements have been approved for issue by the Board of Directors on 27 September 2019.

P. Arnaud Dalais
Chairman

Catherine McIlraith
Chairman of the Audit & Risk Committee

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated Statements of Changes in Equity

YEAR ENDED JUNE 30, 2019

THE GROUP

		Attributable to owners of the parent			
		Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme
	Notes	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2018		5,072,296	39,233	(234,263)	24,823
- Effect of adoption of IFRS 9	2	-	-	-	-
- Effect of adoption of IFRS 15	2	-	-	-	-
Restated balance at 1 July 2018		5,072,296	39,233	(234,263)	24,823
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Issue of shares	26	22,979	-	75,815	-
Change in ownership interest that do not result in a loss of control	12	-	-	-	-
Employee share option scheme		4,286	-	9,101	(5,373)
Dividends	37	-	-	-	-
Other movements		-	-	-	-
Total transactions with owners of the parent		27,265	-	84,916	(5,373)
Balance at 30 June 2019		5,099,561	39,233	(149,347)	19,450

Other movements are mainly made up of:

(i) Statutory reserve, which comprises the accumulated annual transfer of 15% of the net profit for the year in line with Article 41 of Ordinance n° 88-005 dated 15th April 1988 pertaining to the regulations applicable to the banking sector in Madagascar.

(ii) Movements in the General Banking Reserve is at the discretion of BNI MADAGASCAR and the shareholders choose to increase the reserve by the profit for the year net of dividends payable and the amount transferred to statutory reserve.

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated Statements of Changes in Equity (Cont'd)

YEAR ENDED JUNE 30, 2019

	Attributable to owners of the parent					
	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	77,927	3,204,939	6,201,102	14,386,057	10,362,278	24,748,335
	–	–	13,144	13,144	50,481	63,625
	–	–	(18,594)	(18,594)	(18,519)	(37,113)
	77,927	3,204,939	6,195,652	14,380,607	10,394,240	24,774,847
	–	–	(860,428)	(860,428)	(328,633)	(1,189,061)
	(35,369)	(487,741)	(15,214)	(538,324)	(205,648)	(743,972)
	(35,369)	(487,741)	(875,642)	(1,398,752)	(534,281)	(1,933,033)
	–	–	–	98,794	–	98,794
	–	–	193,954	193,954	(193,954)	–
	–	–	–	8,014	–	8,014
	–	–	(347,436)	(347,436)	(468,963)	(816,399)
	–	51,090	(51,090)	–	(1,086)	(1,086)
	–	51,090	(204,572)	(46,674)	(664,003)	(710,677)
	42,558	2,768,288	5,115,438	12,935,181	9,195,956	22,131,137

Movement in reserves of joint venture are made up of:

(i) Statutory reserve movement which comprises the accumulated annual transfer of 15% of the net profit for the year of Bank One Ltd in line with Section 21(1) of the Mauritian Banking Act 2004.

(ii) General Banking reserve movement which comprises provisions in line with the Bank of Mauritius macroprudential guidelines.

Consolidated Statements of Changes in Equity (Cont'd)

YEAR ENDED JUNE 30, 2019

THE GROUP

	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme
		Attributable to owners of the parent			
		MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2017		4,251,153	39,233	(243,188)	30,359
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Transaction with owners in their capacity as owners					
Issue of shares	26	818,876	-	-	-
Treasury shares acquired		-	-	-	-
Issue of shares to non-controlling interests	12	-	-	-	-
Change in ownership interest that do not result in a loss of control	12	-	-	-	-
Employee share option scheme		2,267		8,925	(5,536)
Dividends	37	-		-	-
Other movements		-	-	-	-
Total transactions with owners in their capacity as owners		821,143	-	8,925	(5,536)
Movements in reserves of joint ventures and associates		-	-	-	-
Balance at 30 June 2018		5,072,296	39,233	(234,263)	24,823

Other movements are mainly made up of:

(i) Statutory reserve, which comprises the accumulated annual transfer of 15% of the net profit for the year in line with Article 41 of Ordinance n° 88-005 dated 15th April 1988 pertaining to the regulations applicable to the banking sector in Madagascar.

(ii) Movements in the General Banking Reserve is at the discretion of BNI MADAGASCAR and the shareholders choose to increase the reserve by the profit for the year net of dividends payable and the amount transferred to statutory reserve.

The notes on pages 132 to 267 form an integral part of these financial statements.

Consolidated Statements of Changes in Equity (Cont'd)

YEAR ENDED JUNE 30, 2019

	Attributable to owners of the parent					
	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
	73,164	2,410,260	7,093,502	13,654,483	9,722,838	23,377,321
	–	–	441,817	441,817	648,519	1,090,336
	4,763	309,621	–	314,384	173,454	487,838
	4,763	309,621	441,817	756,201	821,973	1,578,174
	–	–	–	818,876	–	818,876
	–	–	–	–	–	–
	–	–	–	–	928,035	928,035
	–	–	(517,927)	(517,927)	(676,682)	(1,194,609)
	–	–	–	5,656	–	5,656
	–	–	(328,409)	(328,409)	(428,213)	(756,622)
	–	23,567	(26,856)	(3,289)	207	(3,082)
	–	23,567	(873,192)	(25,093)	(176,653)	(201,746)
	–	461,491	(461,025)	466	(5,880)	(5,414)
	77,927	3,204,939	6,201,102	14,386,057	10,362,278	24,748,335

Movement in reserves of joint venture are made up of:

(i) Statutory reserve movement which comprises the accumulated annual transfer of 15% of the net profit for the year of Bank One Ltd in line with Section 21(1) of the Mauritian Banking Act 2004.

(ii) General Banking reserve movement which comprises provisions in line with the Bank of Mauritius macroprudential guidelines.

(iii) Movement between revaluation and retained earnings of Alteo due to their group restructuring at Alteo Limited and Alteo Agri Ltd.

Statements of Changes in Equity (Cont'd)

YEAR ENDED JUNE 30, 2019

THE COMPANY

	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserve	Retained earnings	Total equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2018		5,072,296	39,233	(234,263)	24,823	6,590,266	2,459,641	13,951,996
Profit for the year		-	-	-	-	-	155,858	155,858
Other comprehensive income for the year		-	-	-	-	(2,211,319)	-	(2,211,319)
Total comprehensive income for the year		-	-	-	-	(2,211,319)	155,858	(2,055,461
Transactions with owners in their capacity as owners								
Issue of shares		22,979	-	75,815	-	-	-	98,794
Dividends	27	-	-	-	-	-	(347,435)	(347,435)
Employee share option scheme	38	4,286	-	9,101	(5,373)	-	-	8,014
Unclaimed dividends written back		-	-	-	-	-	3,732	3,732
Total transactions with owners of parent		27,265	-	84,916	(5,373)	-	(343,703)	(236,895)
Balance at 30 June 2019		**5,099,561**	**39,233**	**(149,347)**	**19,450**	**4,378,947**	**2,271,796**	**11,659,640**

Statements of Changes in Equity (cont'd)

Year ended June 30, 2019

THE COMPANY

	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserve	Retained earnings	Total equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2017		4,251,153	39,233	(243,188)	30,359	7,628,812	2,515,244	14,221,613
Profit for the year		-	-	-	-	-	272,806	272,806
Other comprehensive income for the year		-	-	-	-	(1,038,546)	-	(1,038,546)
Total comprehensive income for the year		-	-	-	-	(1,038,546)	272,806	(765,740)
Transactions with owners with their capacity as owners								
Issue of shares		818,876	-	-	-	-	-	818,876
Dividends	27	-	-	-	-	-	(328,409)	(328,409)
Employee share option scheme	38	2,267	-	8,925	(5,536)	-	-	5,656
Total transactions with owners of parent		821,143	-	8,925	(5,536)	-	(328,409)	496,123
Balance at 30 June 2018		**5,072,296**	**39,233**	**(234,263)**	**24,823**	**6,590,266**	**2,459,641**	**13,951,996**

The notes on pages 132 to 267 form an integral part of these financial statements

Consolidated and Separate Statements of Cash Flows

YEAR ENDED JUNE 30, 2019

	Notes	THE GROUP 2019 MUR'000	THE GROUP 2018 MUR'000	THE COMPANY 2019 MUR'000	THE COMPANY 2018 MUR'000
Cash flows from operating activities					
Cash generated from operations	39	**2,489,168**	4,569,342	**364,240**	274,357
Interest paid		**(812,721)**	(780,711)	**(109,486)**	(75,576)
Interest received		**32,138**	26,614	**668**	6,477
Tax paid	36	**(399,817)**	(154,482)	**(899)**	-
Net cash generated from operating activities		**1,308,768**	3,660,763	**254,523**	205,258
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)	9	**(1,163,127)**	(1,420,480)	**-**	-
Purchase of investment properties	10	**(1,875)**	(601)	**-**	-
Acquisition of interests in subsidiary company		**(100,630)**	-	**(100,630)**	(1,269,976)
Purchase of investments in associated companies	14	**(2,128)**	(5,611)	**-**	-
Purchase of other financial assets		**(34,532)**	(52,036)	**-**	-
Purchase of intangible assets	11	**(75,435)**	(87,135)	**-**	-
Purchase of leasehold rights	17	**(126,308)**	(253,069)	**-**	-
Redemption of investment	14	**62,766**	12,960	**45,060**	154,534
Proceeds from disposal of intangible asset		**8,625**	-	**-**	-
Proceeds from disposal of leasehold rights	17	**-**	80,000	**-**	-
Proceeds from disposal of PPE		**48,946**	45,228	**-**	-
Proceeds from disposal of investment property	11	**-**	2,037	**-**	-
Dividends received from associates and joint ventures	13, 14	**113,726**	91,620	**-**	-
Proceeds from disposal of held-for-sale assets		**107,564**	30,119	**-**	-
Proceeds from disposal of financial assets		**47,138**	21,042	**36,637**	-
Net movement in non-current receivables		**(14,077)**	-	**-**	-
Net cash used in investing activities		**(1,129,347)**	(1,535,926)	**(18,933)**	(1,115,442)
Cash flow from financing activities					
Proceeds from borrowings	40	**1,815,708**	2,657,332	**995,028**	1,270,102
Repayment of borrowings	40	**(1,312,295)**	(2,967,883)	**(300,000)**	(300,000)
Issue of shares to non-controlling interests		**-**	594,542	**-**	-
Dividends paid to non-controlling interests		**(368,410)**	(387,894)	**-**	-
Dividends paid to executive directors		**(5,599)**	-	**-**	-
Dividends paid	37	**(328,564)**	(313,333)	**(328,562)**	(313,333)
Net cash (used in)/generated from financing activities		**(199,160)**	(417,236)	**366,466**	656,769
(Decrease) / increase		**(19,739)**	1,707,601	**602,056**	(253,415)
Movement in cash and cash equivalents					
At 1 July		**4,680,767**	3,180,501	**(314,762)**	(61,347)
Exchange differences		**(159,670)**	(207,335)	**-**	-
Increase		**(19,739)**	1,707,601	**602,056**	(253,415)
At 30 June	40(a)	**4,501,358**	4,680,767	**287,294**	(314,762)

The notes on pages 132 to 267 form an integral part of these financial statements.

Notes to the **Financial Statements**

JUNE 30, 2019

1. GENERAL INFORMATION

On 24 January 2014, CIEL Investment Ltd was amalgamated with and into Deep River Investment Ltd (DRI). The surviving company has subsequently been renamed CIEL Limited.

CIEL Limited (the "Company") is a public company incorporated in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius. Its registered office is situated at 5th Floor, Ebène Skies, Rue de L'Institut, Ebène, Republic of Mauritius.

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

CIEL Limited invests in a diversified portfolio of equity and equity related investments in five strategic sectors namely, textile, agro and property, hotels and resorts, finance and healthcare.

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

2. BASIS OF PREPARATION

The consolidated financial statements of CIEL Limited are prepared in compliance with the Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board ('IASB').

The financial statements are prepared on a going concern basis and include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company).

As at 30 June 2019, the Group and the Company had net current liabilities of MUR 5,047 million (2018: MUR 5,142 million) and MUR 218 million (2018: MUR 586 million) respectively, arising principally at Group level from the normal operations of the banking segment whereby the current liabilities exceed the current assets.

The Board of Directors has assessed the Group's and Company's ability to continue as a going concern and is satisfied that both have the resources to meet their liabilities in the foreseeable future.

The Company has a centralised treasury management – Azur Financial Services Limited - which shares banking arrangements with subsidiaries across the Group. It is important to mention that the Company has a CARE AAA credit rating on its short-term facilities whilst the long-term debt is credit-rated CARE AA. This status, together with a well-established network of banking partners, provide sufficient comfort that banking facilities can be arranged to meet cash flow requirements.

The Directors, having assessed the Company's and Group's forecasts and projections presented by management (taking account of reasonably possible changes in trading activities), have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the CIEL Group to continue as a going concern or its ability to continue with the current facilities.

Based on their assessment of the Company's and Group's financial position, the Board of Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of CIEL Limited and its subsidiaries as at 30 June 2019.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and could affect those returns through its power over the investee. Specifically, the Group controls an investee if and

2. BASIS OF PREPARATION (CONT'D)

Basis of consolidation (Cont'd)

only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without loss of control, is accounted for as equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value, unless significant influence is maintained, in which case, the investment will be accounted for using the equity method of accounting.

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New standards, amendments and interpretations applicable as from 1 July 2018

In the current year, the Group and the Company have applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning on 1 July 2018.

In the current year, the Group and the Company have applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning on 1 July 2018.

The nature and the impact of each relevant standard or amendment that had a significant impact on the group and company's Financial Statements are described below:

	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments	01 January 2018
IFRS 15 Revenue from Contracts with Customers	01 January 2018
IFRS 7 Financial Instruments Disclosures (revised)	01 January 2018

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements:

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are required to be measured at fair value through profit and loss, with the irrecoverable option at inception to present changes in fair value in OCI. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. As permitted by IFRS 9, the Group has elected to continue applying IAS 39 for Hedge accounting requirements.

The Group has not restated comparative information for the financial year 2018 and 2017 for financial instruments in the scope of IFRS 9. Therefore, the comparative information is reported under IAS 39 and is not fully comparable to the information presented for the financial year 2018. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings as of 01 July 2018.

The key changes to the accounting policies of the Group on account of introduction of IFRS 9 have been summarised below:

Changes to classification and measurement:

To determine the classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Group's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories of financial assets (fair value through profit & loss (FVPL), available for sale (AFS), held-to-maturity (at amortised cost) have been replaced by:

- Debts instruments at amortised cost;
- Debts instruments at fair value through other comprehensive income (FVOCI), with gains and losses recycled to profit and loss on derecognition;
- Equity instruments at FVOCI, with no recycling of gains and losses to profit and loss on derecognition and
- Financial assets at FVPL

The Group's and Company's classification of their financial assets and liabilities have been summarised below.The quantitative impact of applying IFRS 9 as at 01 July 2018.

The Company

FSLI	IAS 39 classification	IFRS 9 classification
Investments in subsidiary companies, associates, joint ventures and other financial assets	Available-for-sale investments	Financial assets at fair value through other comprehensive income with no recycling of gain and losses to profit and loss on derecognition.
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Borrowings	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

IFRS 9 Financial Instruments

The Group

FSLI	IAS 39 classification	IFRS 9 classification
Investment in other financial assets	Available-for-sale investments	Financial assets at fair value through other comprehensive income with no recycling of gain and losses to profit and loss on derecognition.
Investment in securities	Held-to-maturity investments	Financial assets at amortised cost
Loans to banks	Loans and receivables	Financial assets at amortised cost
Loans and advances to customers	Loans and receivables	Financial assets at amortised cost
Non-current receivables	Loans and receivables	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Derivative financial instruments	Financial asset at fair value through profit or loss	Financial asset at fair value through profit or loss
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Borrowings	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Deposits from customers	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Provisions for other liabilities and charges	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost

The Group has assessed the requirement of the new standard through the IFRS 9 simplified approach to expected credit losses, which uses a lifetime expected loss allowance for all trade receivable.

Changes to the impairment calculation

The adoption of IFRS 9 has changed the Group's accounting for loan loss impairment by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debts financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

IIFRS 9 Financial Instruments (Cont'd)

Details of the Group's impairment method are disclosed in the Financial Risk Management section of these financials. The quantitative impact of applying IFRS 9 as at 01 July 2018, was as follows:

	MUR'000
Healthcare cluster – Provision	**(4,542)**
Finance cluster - Reversal	**68,167**
	63,625

The above impact is split on each financial statements line item as follows:

	IAS 39 Carrying	Reclassifications	Remeasurements	IFRS 9 Carrying
	MUR'000	MUR'000	MUR'000	MUR'000
Cash and cash equivalents				
Opening balance under IAS 39	6,224,796	-	-	6,224,796
Remeasurement: ECL allowance	-	-	(78)	(78)
Closing balance under IFRS 9	6,224,796	-	(78)	6,224,718
Loans and advances to banks				
Opening balance under IAS 39	916,864	-	-	916,864
Remeasurement: ECL allowance	-	-	(57)	(57)
Closing balance under IFRS 9	916,864	-	(57)	916,807
Loans and advances to customers				
Opening balance under IAS 39	11,393,861	-	-	11,393,861
Remeasurement: ECL allowance	-	-	129,785	129,785
Closing balance under IFRS 9	11,393,861	-	129,785	11,523,646
Investment securities – Amortised cost				
Opening balance under IAS 39	2,969,411	-	-	2,969,411
Remeasurement: ECL allowance	-	-	(184)	(184)
Closing balance under IFRS 9	2,969,411	-	(184)	2,969,227
Trade and other receivables (including Export Documentary Remittances)				
Opening balance under IAS 39	4,608,524	-	-	4,608,524
Remeasurement: ECL allowance	-	-	(9,297)	(9,297)
Closing balance under IFRS 9	4,608,524	-	(9,297)	4,599,227
Provisions for other liabilities and charges				
Opening balance under IAS 39	(48,355)	-	-	(48,355)
Remeasurement: ECL allowance	-	-	(38,312)	(38,312)
Closing balance under IFRS 9	(48,355)	-	(38,312)	(86,667)

The net impact of the above adjustments on deferred income tax is a credit of MUR 18,232,000.

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

IIFRS 15 Revenue from contracts with Customers

Revenue from contracts with Customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from an entity's contracts with customers. Revenue is recognised when a customer obtain control of a good or service and thus has the ability to direct the use and obtain the benefits from the good and service. The standard replaces IAS 18 'Revenue' and IAs 11 'Construction contracts 'and related interpretations.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each steps of the model to contracts with their customers. The standard also species the accounting for incremental costs of obtaining a contract and the costs directly related to fulfil a contract.

The Group has assessed the implications of the new standard and concluded that the accounting treatment for its sale of goods and services is the same under both IAS 18 and IFRS 15 for all clusters except for the hospitality cluster.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

The key changes resulting from the adoption of IFRS 15 are as follows:

Hotels – Revenue from Tour Operators (TOs) and Online Travel Agents (OTAs)

The Group applied the guidance provided in IFRS 15 to determine whether an intermediary involved in generating room revenue acts as the principal or an agent. It is considered as acting as the principal if the intermediary controls the promised good or service before that good or service is transferred to a customer. In such a case, room revenue is reported in the statement of profit or loss, net of any commission paid to the intermediary.

The Group has assessed whether OTAs and TOs act as principal to or are agents of the Group. This has resulted in the revenue generated from OTAs to be shown gross of commission and revenue generated from TOs to be shown net of all commissions.

The following table analyses the impact of applying IFRS 15 on the Group in the current year:

	Without adoption of IFRS 15	Increase/decrease	As reported under IFRS 15
	MUR'000	MUR'000	MUR'000
Revenue	6,692,174	(77,290)	6,614,884
Operating expenses	(5,547,062)	77,290	(5,469,772)

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

IFRS 15 Revenue from contracts with Customers (Cont'd)

Hotels – Revenue from Tour Operators (TOs) and Online Travel Agents (OTAs) (Cont'd)
Golf entrance fees

The Group has also changed its accounting policy on the revenue recognition of golf entrance fees. Under IFRS 15, golf entrance fees are now deferred and released to income over the estimated career life of the players (estimated 15 years). In previous years, golf entrance fees were recognised as income on receipt.

The following table analyses the impact of applying IFRS 15 on the Group in the current year:

	Without adoption of IFRS 15	Increase/decrease	As reported under IFRS 15
	MUR'000	MUR'000	MUR'000
Deferred revenue	-	40,280	40,280
Opening retained earnings	2,960,964	(37,113)	2,923,851
Revenue	6,618,051	(3,167)	6,614,884

New and revised Standards in issue but not yet applicable to the Group

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after 1 July 2019 and are expected to have a material impact on the Group, but not early adopted.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRS 4 Determining whether an arrangement contains a lease, SIC-15 Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONT'D)

New and revised Standards in issue but not yet applicable to the Group (Cont'd)

IFRS 16 Leases (Cont'd)

IFRS 16 sets out the principles for the recognition measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for finance lease under IAS 17. The standard includes two recognition exemptions for lessees: leases of 'Low-value' assets and short-term leases (i.e. leases with lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. right-of-use of the asset, ROU). Lessees will be required to separately recognise the interest expenses on the lease liability and the depreciation expenses on the ROU of the asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (i.e. change in lease term, a change in future lease payment resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the ROU of the asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessor will continue to classify all leases under the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosure than under IAS 17.

Transition to IFRS 16

IFRS 16 is effective for annual periods beginning on or after 01 January 2019. Early adoption is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard either a full retrospective or a modified retrospective approach. The standard's transition provision permits certain reliefs.

The Group plans to adopt IFRS 16 using the modified retrospective approach, which means it will apply the standard from 01 July 2019, the cumulative impact of the adoption will be recognised as at 01 July 2019 and comparative will not be restated.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the underlying assets is of low value and short term in nature. The Group has leases of certain assets that are considered low value and certain assets that are short term in nature.

2. BASIS OF PREPARATION (CONT'D)

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Cont'd)

New standards, amendments and interpretations applicable as from 1 July 2018 (Cont'd)

Transition to IFRS 16 (Cont'd)

In 2018/19, the Group continued to progress its detail impact assessment and implementation of IFRS 16. Much of the early part of the year, focus was on reviewing contracts, aggregating data to support the evaluation of the accounting impacts and identifying where key policy decision were required.

The Group has assessed the impact on the Statement of Financial Position as at 01 July 2019:

	MUR'000
Right-of-use asset	3,098,576
Lease liabilities	(3,635,363)
Net impact on equity	536,787

Work completed by the Group to date indicates the new lease standard is expected have a material effect on the Group's Financial statement as it will significantly increase the Group's assets and liabilities (as described above). In addition, compared with the existing accounting for operating leases, the classification and timing of expenses will be impacted which may lead to improvement in overall EBITDA of the Group while its interest expense and depreciation of these assets will increase. This is due to the change in accounting for expenses of leases that were classified as operating leases under IAS 17. The impact of deferred tax is still being assessed by the Group. The amount disclosed is gross of deferred tax.

As most of the significant leases do not provide an implicit rate, the discount rate was calculated using government bond adjusted for business credit risk on borrowings. The discount rates range from 6.35% to 7.5%.

The depreciation rate on ROU assets ranges from 2% to 20%.

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. For certain instances where it is impractical to separate the lease from non-lease component, the Group will account for them as a single lease component.

IFRS 16 will have no impact on the Company as the latter has not contracted any lease.

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

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that requires a material adjustment to the carrying amount of assets and liabilities affected in future periods.

2. BASIS OF PREPARATION (CONT'D)

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

In the process of applying the Group's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

(i) Impairment of goodwill

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

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

(ii) Pension benefits

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

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

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

(iii) Revaluation of property, plant and equipment and investment properties

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

(iv) Fair value of securities not quoted in an active market

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

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2. BASIS OF PREPARATION (CONT'D)

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

(iv) Fair value of securities not quoted in an active market (Cont'd)

Determination of fair value

The fair value of publicly traded securities is based on:

- Their market value which is calculated by reference to the Stock Exchange and the Development Enterprise Market (DEM) - quoted prices at the close of business at the end of reporting period;
- Quoted prices plus premium; or
- Recent transaction price.

In assessing the fair value of unquoted investments, the Group uses a combination of discounted cash flow, price to book, earnings multiple, net asset base and dividend yield basis. The valuation policy is summarised below:

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

(v) Asset lives and residual values

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

(vi) Provisions

As disclosed in Note 33, the Group has recognised a provision for other liabilities and charges. Rs 40 million is in respect of claims from the Mauritius Revenue Authority, for additional duty on the sale of St Géran and the purchase of AHL Four Seasons. The crystallisation of such claims is inherently uncertain and requires management to exercise judgment on the likelihood and timing of any outflow of economic benefits. The amount provided may differ from the final settlement amount.

2. BASIS OF PREPARATION (CONT'D)

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

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

(i) Certain property, plant and equipment are carried at revalued amounts;
(ii) Investment properties are stated at fair value;
(iii) Investments in subsidiary companies, associates, and joint ventures are stated at their fair value in the standalone financial statements; and
(iv) Investments in other financial statements are stated at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Statement of compliance

The financial statements have been prepared on the basis of preparation as explained in 2(b) above and in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB) and in compliance with the Companies Act 2001.

d) Foreign currencies

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

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

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

2. BASIS OF PREPARATION (CONT'D)

d) Foreign currencies (Cont'd)

(iii) Group companies

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

(a) assets and liabilities are translated at the closing rate at the end of that statement of financial position;
(b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(c) the resulting exchange differences are recognised in other comprehensive income.

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

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

e) (i) Normalised earnings before interest, tax, depreciation and amortisation

Normalised earnings before interest, tax, depreciation and amortisation is stated after adding to earnings before interest, tax, depreciation and amortisation, the significant impairment charges incurred on the Group's non-current assets during the year.

e) (ii) Normalised earnings before interest and tax

Normalised earnings before interest and tax is stated after adding to earnings before interest and tax, the significant impairment charges incurred on the Group's non-current assets during the year.

f) Financial assets and liabilities

Measurement methods

The Group and the Company classify their financial assets as subsequently measured at either amortised cost or fair value depending on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flow; and
- the contractual terms of the financial asset represent contractual cash flow that are solely payments of principal and interest.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

2. BASIS OF PREPARATION (CONT'D)

f) Financial assets and liabilities (Cont'd)

Amortised cost and effective interest rate (Cont'd)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

2. BASIS OF PREPARATION (CONT'D)

f) Financial assets and liabilities (Cont'd)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) the Group's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

2. BASIS OF PREPARATION (CONT'D)

f) Financial assets and liabilities (Cont'd)

Classification and subsequent measurement (Cont'd)

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

(i) the Group transfers substantially all the risks and rewards of ownership, or
(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net trading income' line in the statement of profit or loss.

Expected credit losses

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The credit risk note provides more detail of how the expected credit loss allowance is measured.

2. BASIS OF PREPARATION (CONT'D)

f) Financial assets and liabilities (Cont'd)

Loans and receivables (Accounting Policy applicable before 1 July 2018)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(i) those that BNI MADAGASCAR intends to sell immediately or in the short-term, which are classified as FVPL, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
(ii) those that the Bank upon initial recognition designates as FVOCI; or
(iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the fair value consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest method. Loans and receivables are reported in the statement of financial position as loans to banks and loans to customers. Interest on loans receivable and loans and advances is included in the statement of profit or loss and is reported as interest income on loans. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in profit or loss as 'net impairment loss on financial assets.

This policy is only applicable for the year ended 30 June 2018 which was not restated.

Investment securities - Held-to-maturity

The investments – held-to-maturity category was removed under IFRS 9. This policy is only applicable for the year ended 30 June 2018, which was not restated.

g) Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine, the extent of the impairment loss, if any and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately, unless the asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

h) Borrowing costs

All borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

i) Provisions

Provisions are recognised when the Group and /or the Company have a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated. Provisions are determined by discounting the expected future cash flow s are a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. SEGMENT INFORMATION

The reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different strategies. The Group has six reportable segments:

- Textile derives income mainly from the sale of knitwear, woven and fine knits products.
- Agro and Property earns income mainly from sugar production, land and property development. Hotels and Resorts derives income through the ownership and management of portfolio of hotels.
- Financial services derive income mainly from banking, fiduciary products and portfolio management.
- Healthcare derives income through the running of healthcare facilities.
- CIEL - Holding Company derives income through dividend derived from its investments.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on basis of Profit & Loss from operations.

THE GROUP	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	CIEL And other	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2019								
Total revenue	12,150,520	141,773	6,614,884	2,852,571	2,494,841	480,124	(528,254)	24,206,459
Normalised earnings before interest, tax, depreciation, amortisation	1,025,481	144,269	1,253,822	893,556	206,870	241,294	(321,900)	3,443,392
Depreciation and amortisation	(308,293)	(18,735)	(568,449)	(159,039)	(141,152)	(1,894)	(18,259)	(1,215,821)
Normalised earnings before interest and tax	717,188	125,534	685,373	734,517	65,718	239,400	(340,159)	2,227,571
Impairment of goodwill and other non-current assets	-	-	(1,933,373)	(3,284)	(141,470)	-	-	(2,078,127)
Finance income	13,114	2088	18,392	382	2,059	30,636	(34,533)	32,138
Finance costs	(182,043)	(15,057)	(454,767)	(15,627)	(43,706)	(136,054)	34,533	(812,721)
Share of result of joint ventures	-	237	(7,560)	168,538	-	-	-	161,215
Share of result of associates	-	(166,914)	-	(76,789)	(74,940)	-	35,547	(283,096)
Profit before income tax	548,259	(54,112)	(1,691,935)	807,737	(192,339)	133,982	(304,612)	(753,020)
Income tax	(95,296)	(9,253)	(201,539)	(176,799)	49,253	(2,407)	-	(436,041)
Profit for the year	452,963	(63,365)	1,893,474)	630,938	(143,086)	131,575	(304,612)	(1,189,061)
Assets excluding associates & joint ventures	11,219,073	2,974,642	19,705,224	25,606,604	2,902,663	12,348,469	(11,788,840)	62,967,835
Joint ventures	-	389	43,796	1,630,869	-	1,561,757	(1,517,964)	1,718,847
Associates	-	1,120,498	702,445	138,610	248,990	1,406,939	680,006	4,297,488
Segment assets	11,219,073	4,095,529	20,451,465	27,376,083	3,151,653	15,317,165	(12,626,798)	68,984,170
Segment liabilities	6,431,713	419,294	12,002,184	23,230,424	1,705,836	2,256,654	806,928	46,853,033

Notes to the **Financial Statements** (Cont'd)

JUNE 30, 2019

3. SEGMENT INFORMATION (CONT'D)

THE GROUP	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	CIEL And other*	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2018								
Total revenue	10,943,943	106,060	6,723,879	2,611,073	2,263,697	585,057	(625,210)	22,608,499
Earnings before interest and tax	759,024	62,747	1,290,403	805,321	131,275	346,134	(442,282)	2,952,622
Depreciation and amortisation	(274,316)	(18,373)	(546,079)	(184,312)	(140,886)	(1,970)	–	(1,165,936)
Finance income	11,317	668	16,312	63	799	32,095	(34,640)	26,614
Finance costs	(135,787)	(17,025)	(479,821)	(17,437)	(42,759)	(123,174)	35,292	(780,711)
Share of result of joint ventures	–	–	4,476	267,761	–	–	–	272,237
Share of result of associates	–	83,345	–	(2,350)	(8,992)	1,879	202	74,084
Profit before income tax	360,238	111,362	285,291	869,046	(60,563)	254,964	(441,428)	1,378,910
Income tax	(42,961)	(7,281)	(86,747)	(145,005)	(2,146)	(4,434)	–	(288,574)
Profit for the year	317,277	104,081	198,544	724,041	(62,709)	250,530	(441,428)	1,090,336
Assets excluding associates & joint ventures	10,881,240	2,946,991	22,172,556	23,778,319	2,862,699	16,338,473	(16,400,671)	62,579,607
Joint ventures	–	152	–	1,506,841	–	45,000	6,356	1,558,349
Associates	–	1,374,714	702,445	314,105	352,437	27,214	1,975,806	4,746,720
Segment assets	10,881,240	4,321,857	22,875,001	25,599,265	3,215,136	16,410,687	(14,418,509)	68,884,676
Segment liabilities	6,265,154	463,959	12,011,680	21,562,767	790,054	2,909,958	132,769	44,136,341

*CIEL and Others consist of CIEL Limited, CIEL Corporate Services, Azur Financial Services and Rockwood Textile.

3. SEGMENT INFORMATION (CONT'D)

THE GROUP	Revenues from External Customers		Non-Current Assets	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Geographical information				
Mauritius	**17,002,303**	16,026,736	**29,147,317**	29,362,094
Madagascar	**2,580,738**	2,330,403	**8,048,078**	8,802,364
Asia	**2,586,158**	2,333,900	**1,005,859**	901,477
Maldives	**519,200**	896,958	**2,510,300**	4,536,173
South Africa	**1,104,487**	293,241	**519**	5,260
Others	**413,573**	727,261	**1,318,928**	1,025,383
	24,206,459	22,608,499	**42,031,001**	44,632,751

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

4 REVENUE

Accounting policies

Prior to 01 July 2018

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

The Group

Sale of goods

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

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

Rendering of services

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

4. REVENUE

Accounting policies (Cont'd)

Prior to 01 July 2018 (Cont'd)

The Group (Cont'd)

Rendering of services (Cont'd)

Type	Timing of recognition
Dividend income	When the shareholder's right to receive payment is established
Interest income	On a time-proportion basis using the effective interest method
Management fees	Accruals basis
Rental income	Accruals basis
Information and communication technology income	Accruals basis
Income from foreign exchange dealings	On a settlement basis
Fees and commission	Accruals basis

As from 01 July 2018

The Group

Sale of goods

Sales of goods are recognised when control of the products has been transferred, being when the products are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

Sale of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised when control of the services are transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. Income from the rendering of services include the following:

Type	Timing of recognition
Dividend income	When the shareholder's right to receive payment is established
Interest income	Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
Management fees & other income	When control of the services is transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. The fees are determined through management agreements and are generally based on an agreed percentage of the Net asset Value and Profit after tax of the company. The Group determines and calculates the fees and allocates them on a quarterly basis, though the fees are earned over time.
Commission	Commission received from trading services is allocated to each trading activity as and when it is due as per the agreement. The commission income is recognised at a point in time when the service is rendered.

Notes to the **Financial Statements** (Cont'd)

JUNE 30, 2019

4. REVENUE (CONT'D)

Accounting policies (Cont'd)

As from 01 July 2018 (Cont'd)

The Group (Cont'd)

Sale of services (Cont'd)

Type	Timing of recognition
Information and communication technology income	When control of the services is transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of reporting period as a proportion to the total services to be provided because the customer receives and uses the benefits simultaneously. This is determine based on the actual labour hours spent relative to the total expected labour hours. If the contract includes an hourly fee, revenue is recognised in the amount to which the customer is entitled to be invoiced. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Income from foreign exchange dealings	On a settlement basis

The Company

The Company's main source of revenue is dividend income generated from its subsidiaries. Dividend is recognised when the shareholder's right to receive payment established.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue from contracts with customers:				
- Textile	**12,150,520**	10,943,943	**-**	-
- Hotel	**6,612,812**	6,723,879	**-**	-
- Banking	**2,622,599**	2,321,989	**-**	-
- Healthcare	**2,474,395**	1,935,295	**-**	-
- Agro & Property	**36,972**	24,291	**-**	-
Dividend income				
- Listed	**-**	-	**65,541**	43,694
- DEM	**-**	1,053	**112,609**	248,792
- Unquoted	**1,201**	561	**150,800**	151,406
Others:				
Management and service fees	**232,100**	576,403	**-**	-
Rental income	**29,769**	27,543	**-**	-
Other income	**46,091**	53,542	**13,935**	2,375
	24,206,459	22,608,499	**342,885**	446,267
Timing of revenue recognition				
Goods transferred at a point in time	**19,372,994**	17,781,770	**342,885**	446,267
Services transferred over time	**4,833,465**	4,826,729	**-**	-
	24,206,459	22,608,499	**342,885**	446,267

5. NORMALISED EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue	**24,206,459**	22,608,499	**342,885**	446,267
Profit on disposal of property, plant and equipment	**486**	25,974	**-**	-
Profit on disposal of held for sale assets	**44,128**	-	**22,188**	6,053
Profit on disposal of investment in other financial assets	**22,188**	7,053	**-**	-
Other operating income	**161,586**	268,547	**-**	-
Net Foreign exchange differences	**113,772**	37,021	**1,049**	937
Cost of goods sold - textile	**(6,273,847)**	(5,697,330)	**-**	-
Cost of sales - hotel	**(1,411,412)**	(1,402,479)	**-**	-
Interest expense - banking	**(730,399)**	(578,109)	**-**	-
Cost of goods sold - healthcare	**(1,493,099)**	(991,710)	**-**	-
Cost of sales - agro & property	**(35,661)**	(23,643)	**-**	-
Employee benefit expenses (Note 7)	**(6,266,003)**	(6,376,306)	**-**	-
Management fees and services	**(158,504)**	(244,339)	**(48,080)**	(49,254)
Professional, legal and consultancy fees	**(131,717)**	(109,373)	**(8,898)**	(14,337)
Rental and leases	**(785,091)**	(616,235)	**-**	-
Logistics and utilities	**(1,445,601)**	(1,431,727)	**-**	-
Office expenses	**(254,894)**	(247,853)	**(11,341)**	(3,642)
Transport expenses	**(168,449)**	(172,726)	**-**	-
Marketing expenses	**(627,711)**	(636,859)	**-**	-
Repairs and maintenance	**(423,297)**	(475,596)	**-**	-
Social and events	**(83,631)**	(45,521)	**-**	-
Loss allowance on receivables	**(128,660)**	(118,013)	**-**	-
Share based compensation expense	**(8,014)**	(5,656)	**(8,014)**	(5,656)
Other expenses	**(748,884)**	(859,492)	**(24,213)**	(15,100)
	3,373,745	2,914,127	**265,576**	365,268
Increase in fair value of investment properties				
(Note 10)	**69,647**	38,495	**-**	-
	3,443,392	2,952,622	**265,576**	365,268

6. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Interest expense on:				
Bank overdrafts	**(70,503)**	(62,323)	**(1,076)**	(176)
Loans repayable by instalments	**(225,383)**	(235,561)	**-**	-
Bills discounted	**(25,047)**	(22,810)	**-**	-
Debentures	**(266,390)**	(275,805)	**-**	-
B shares dividend	**(2,545)**	(5,599)	**-**	-
Loans at call	**(98,327)**	(69,592)	**(4,432)**	(18,422)
Finance leases	**(21,433)**	(23,638)	**-**	-
Fixed rate secured notes	**(103,083)**	(85,383)	**(97,158)**	(79,210)
Other loans	**(10)**	-	**(6,820)**	(531)
Finance costs	**(812,721)**	(780,711)	**(109,486)**	(98,339)
Interest income on:				
Bank balances	**32,138**	26,614	**668**	352
Others	**-**	-	**-**	6,125
Finance income	**32,138**	26,614	**668**	6,477
Net finance costs	**(780,583)**	(754,097)	**(108,818)**	(91,862)

7. EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Wages and salaries	**5,447,585**	5,213,120
Social security costs	**316,955**	590,203
Pension costs - defined contribution plans	**61,786**	144,122
Pension costs - defined benefit plans	**67,871**	59,681
Other post-retirement benefits	**70,398**	45,489
Others	**301,408**	323,691
	6,266,003	6,376,306

8. EARNINGS AND NET ASSET VALUE PER SHARE

		THE GROUP		THE COMPANY	
		2019	2018	**2019**	2018
<u>Basic and diluted earnings per share</u>					
Profit attributable to owners of parent	**MUR'000**	**(860,428)**	441,817	**155,859**	272,806
Weighted average number of ordinary shares		**1,645,105,809**	1,627,254,987	**1,645,105,809**	1,627,254,987
(Loss)/earnings per share	**MUR**	**(0.52)**	0.27	**0.09**	0.17
Net asset value per share Owners' Interest	**MUR'000**	**12,935,181**	14,386,057	**11,659,640**	13,951,996
Number of shares in issue		**1,660,274,000**	1,642,818,294	**1,660,274,000**	1,642,818,294
Net asset value per share	**MUR**	**7.79**	8.76	**7.02**	8.49

9. PROPERTY, PLANT AND EQUIPMENT

Accounting policies

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

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

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

Properties in the course of construction for production, administrative purposes carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

Land is not depreciated.

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

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

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

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

(a) The Group	Land and building at fair value	Assets under construction	Plant and machinery	Motor vehicles	Furniture fittings & equipment	Office & Other Equipment	Deer farming buildings & equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST OR VALUATION								
At 1 July 2018	21,934,562	396,523	5,731,782	367,926	3,508,710	579,200	57,859	32,576,562
Revaluation surplus	75,259	-	-	-	-	-	-	75,259
Additions	221,674	294,367	277,200	44,576	226,824	94,979	3,507	1,163,127
Transfer to investment properties	(28)	-	-	-	-	-	-	(28)
Transfers	184,395	(345,318)	146,190	1,532	16,212	4,909	(7,920)	-
Write offs	(24,258)	(284)	(4,986)	(732)	(19,923)	(622)	-	(50,805)
Translation adjustment	(6,101)	(5,678)	(17,123)	(3,712)	13,950	(7,503)	-	(26,167)
Disposals	(16,408)	(1,131)	(26,950)	(32,978)	(19,025)	(8,074)	-	(104,566)
At 30 June 2019	**22,369,095**	**338,479**	**6,106,113**	**376,612**	**3,726,748**	**662,889**	**53,446**	**33,633,382**
DEPRECIATION AND IMPAIRMENT								
At 1 July 2018	1,005,698	4,803	3,542,580	208,147	2,265,768	403,602	29,143	7,459,741
Revaluation surplus	9,305	-	-	-	-	-	-	9,305
Charge for the year	388,570	-	322,942	51,533	267,010	77,902	2,697	1,110,654
Transfers	1,675	-	1,276	(4)	(1,353)	(7)	(1,587)	-
Write offs	(24,153)	-	(4,986)	(732)	(16,404)	(618)	-	(46,893)
Impairment charges through P&L	40,988	-	23,016	-	46,699	-	-	110,703
Impairment charges through OCI	393,238	-	-	-	-	-	-	393,238
Translation adjustment	(22,400)	-	(7,286)	(2,133)	10,814	(5,093)	-	(26,098)
Disposal adjustment	(929)	-	(13,365)	(32,341)	(4,886)	(4,585)	-	(56,106)
At 30 June 2019	**1,791,992**	**4,803**	**3,864,177**	**224,470**	**2,567,648**	**471,201**	**30,253**	**8,954,544**
NET BOOK VALUES								
2019	**20,577,103**	**333,676**	**2,241,936**	**152,142**	**1,159,100**	**191,688**	**23,193**	**24,678,838**

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

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

(b) The Group	Land and building at fair value	Assets under construction	Plant and machinery	Motor vehicles	Motor vehicles	Furniture fittings & equipment	Deer farming buildings & equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST OR VALUATION								
At 1 July 2017	21,606,514	228,108	5,499,919	330,048	3,316,288	980,772	50,837	32,012,486
Revaluation surplus	41,408	-	-	-	-	-	-	41,408
Additions	492,328	263,454	263,288	75,136	260,005	62,005	4,264	1,420,480
Transfer to intangible assets (Note 11)	-	-	-	-	(5,183)	-	-	(5,183)
Transfer (to)/ from work in progress	18,958	(48,193)	26,064	-	413	-	2,758	-
Transfer to non-current assets held for sale (Note 22)	(20,847)	-	-	-	-	-	-	(20,847)
Transfers	15,307	(36,064)	361,375	(2,276)	7,043	(348,925)	-	(3,540)
Write offs	(1,088)	-	(290,860)	(6,586)	(37,133)	(73,679)	-	(409,346)
Translation adjustment	(197,286)	(10,430)	(101,216)	(13,732)	(26,128)	(36,445)	-	(385,237)
Disposals	(20,732)	(352)	(26,788)	(14,664)	(6,595)	(4,528)	-	(73,659)
At 30 June 2018	**21,934,562**	**396,523**	**5,731,782**	**367,926**	**3,508,710**	**579,200**	**57,859**	**32,576,562**
DEPRECIATION								
At 1 July 2017	1,393,558	4,803	3,327,937	187,988	2,052,782	689,628	26,352	7,683,048
Revaluation surplus	(664,808)	-	-	-	-	-	-	(664,808)
Charge for the year	352,920	-	312,275	45,334	271,829	72,219	2,498	1,057,075
Transfers	(1,335)	-	248,011	(236)	1,292	(251,438)	293	(3,413)
Write offs	(959)	-	(285,589)	(6,120)	(36,482)	(73,592)	-	(402,742)
Translation adjustment	(59,901)	-	(40,420)	(7,933)	(17,929)	(28,828)	-	(155,011)
Disposal adjustment	(13,777)	-	(19,634)	(10,886)	(5,724)	(4,387)	-	(54,408)
At 30 June 2018	**1,005,698**	**4,803**	**3,542,580**	**208,147**	**2,265,768**	**403,602**	**29,143**	**7,459,741**
NET BOOK VALUES								
At 30 June 2018	**20,928,864**	**391,720**	**2,189,202**	**159,779**	**1,242,942**	**175,598**	**28,716**	**25,116,821**

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

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Net book value	**13,021,253**	13,586,058

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

	THE GROUP			
	Plant & machinery	**Motor vehicles**	**Furniture & fittings**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
2019				
Cost - capitalised finance leases	**126,529**	**13,793**	**1,606**	**141,928**
Accumulated depreciation	**(21,369)**	**(13,178)**	**(709)**	**(35,256)**
Net book amount	**105,160**	**615**	**897**	**106,672**
2018				
Cost - capitalised finance leases	124,361	31,375	1,606	157,342
Accumulated depreciation	(22,946)	(18,694)	(642)	(42,282)
Net book amount	101,415	12,681	964	115,060

(d) Fair value of land and buildings

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

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2019 are as follows:

	THE GROUP			
	2019		2018	
	Level 2	**Level 3**	Level 2	Level 3
	MUR'000	**MUR'000**	MUR'000	MUR'000
Land and Building	**2,900,893**	**17,676,210**	2,653,151	18,275,713
	2,900,893	**17,676,210**	2,653,151	18,275,713

The Group's main land and buildings were last revalued on 30 June 2019 and 2018.

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

Hotel segment

Freehold land and buildings were revalued on 30 June 2018 by Broll Indian Ocean Limited, Chartered Valuer. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre. Freehold land has been valued taking into consideration comparable sales evidences. The basis of valuation in estimating the market value has been undertaken in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with Valuation for Financial Reporting and which is to be used in the context of International Accounting Standards (IASs) published by the International Accounting Standards Board (IASB). The buildings, structures and site improvement have been valued on a depreciated replacement cost basis taking into consideration their replacement cost, with adjustments being made for age and condition.

The following summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

	Valuation technique and key inputs	Sensitivity used	Effect on fair value	
			MUR'000	MUR'000
Leasehold land improvement & buildings	Depreciated replacement cost approach	1% increase in current cost of replacing property	**122,998**	127,103
		1% decrease in current cost of replacing property	**(122,998)**	(127,103)
Site improvements	Depreciated replacement cost approach	1% increase in current cost of replacing property	**4,846**	5,168
		1% decrease in current cost of replacing property	**(4,846)**	(5,168)

Textile segment

The Group engages external, independent and qualified valuers to determine the fair value of the Group's and the Company's land and buildings on a regular basis. The last valuation was performed during the year ended June 30, 2017 and the fair value of the land and buildings have been determined by CDDSL and Surveyors and Property Valuer; Ratsimbazafy Ihanta Evelyne; Kumar & Associates and Jorip O Paridarshan Company Limited for land and buildings held in Mauritius, Madagascar, India and Bangladesh respectively.

The external valuations of level 3 land and buildings have been performed using: (i) a sales comparison approach, or (ii) replacement cost less depreciation approach. Given that there are limited or no similar sites in the vicinity in which the land and buildings of the Group and the Company are located, the external valuers have determined the inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices where relevant.

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

Textile segment (Cont'd)

Information about fair value measurements for the textile cluster using significant unobservable inputs (Level 3)

Description	Fair Value at 30 June		Valuation techniques	Unobservable inputs	Range of Unobservable Inputs (Probability-weighted average) and Relationship of Unobservable Inputs to Fair Value
	2019 MUR'000	2018 MUR'000			
Manufacturing sites – Mauritius	**1,293,631**	1,283,023	Sales comparison and replacement cost less depreciation approach	Price per square metre	Rs.995 - Rs.3,435/square metre (land) and Rs.400 - Rs.25,708/ square metre (buildings). The higher the price per square metre, the higher the fair value
Manufacturing sites – Madagascar	**405,229**	439,087			MGA 45,000 - MGA 1,010,000/ square metre (land) and MGA 30,090 - MGA 1,102,200 (buildings). The higher the price per square metre, the higher the fair value
Manufacturing sites – Asia	**651,386**	451,690	Sales comparison and replacement cost less depreciation approach	1 bigha equivalent to 33 decimals and square feet for land and square feet for building	Tk. 1515151.51 / decimal for the land and Tk.850-Tk.1,075 per sq.ft for the building. INR.600/sq ft for land and INR.500-INR.1,500 per sq.ft for the building

There was no transfer between level 1, 2 and 3 during the year.

Ferney Ltd

The Company's land was last revalued in 2019 by CDDS Land Surveyors and Property Valuer, an independent professionally qualified valuer. The revaluation surplus was credited to revaluation reserves in shareholders' equity.
The land is classified as level 3 on the fair value hierarchy.

	Fair value MUR'000	Range MUR'000
Significant valuation input:		
Price per hectare - land	**963,248**	**473 - 9,476**

The range relates to hunting ground, sugar cane fields with no future development plans, sugar cane fields earmarked for future development and land earmarked for sales. The higher the range, the higher the fair value. The range relates to hunting ground, sugar cane fields with no future development plans, sugar cane fields earmarked for future development and land earmarked for sales.

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

Banking segment

At 30 June 2016, an independent valuation was performed by an independent qualified valuer, Ratsimbazafy Ihanta Evelyne for land and buildings located at the headquarters in Madagascar. Land and buildings in Madagascar have been revalued by Pack Immo, independent qualified valuers located elsewhere The properties were valued at MUR 676M. The external valuations have been performed using sales comparison approach and depreciated replacement cost basis. The directors have reassessed the values at 30 June 2019 and considered that the carrying value reflect the fair value.

Healthcare segment

The revalued land and buildings consist of office and clinic premises. Management determined that these constitute one class of assets under IFRS 13, based on the nature, characteristics and risks of the property. The C-Care Group revalued its land and building in August 2019. The valuation was performed by an independent valuer, Noor Dilmohamed & Associates, Certified Practising Valuer, who has the appropriate qualification and experience.

in the fair value measurement of properties in the relevant location. Valuation is performed by the valuer using on-market comparable method, i.e. it is based on latest available market prices, significantly adjusted for difference in nature, location or condition of the specific property.

The IMG Group engaged Messrs PBR Real Estate Ltd independent valuers to value its properties in October 2014. In 2019, the fair value of land and building was not performed by an independent valuer. However, management has made an assessment of the fair value of land and building as the assets have not experienced volatile changes in fair value. A full valuation exercise will be carried out in the next financial year.

The land and buildings are classified as level 3 on the fair value hierarchy. The main inputs used in the valuation approach ranged as follows:

THE GROUP	Range (Rs)
At 30 June 2019 and 2018:	
Significant unobservable valuation input :	
Land - Price per square metres (sqm)	3,000 - 5,000
Building - Price per square metres (sqm)	3,000 - 28,500

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis at 30 June 2019 and 2018 are shown below:

	Valuation technique(s) and key input(s)	Sensitivity used	Effect on fair value	
			2019	2018
			MUR'000	MUR'000
Land	on-market comparable	1% increase in price	**1,489**	1,553
		1% decrease in price	**(1,489)**	(1,553)
Building	on-market comparable	1% increase in price	**4,777**	5,795
		1% increase in price	**(4,777)**	(5,795)
The land and buildings is categorised as follows:				
Freehold land			**148,937**	142,837
Buildings			**477,711**	451,380
			626,648	594,217

10. INVESTMENT PROPERTIES

Accounting policies

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

	THE GROUP	
	2019	2018
Fair value model	**MUR'000**	MUR'000
At 1 July	**1,548,101**	1,575,640
Additions	**1,875**	601
Disposals	**-**	(2,037)
Transfer (to)/from land & buildings (Note 9)	**28**	-
Transfer to non-current assets held for sale (Note 22)	**-**	(50,522)
Increase in fair value	**69,647**	38,495
Exchange differences	**(8,078)**	(14,076)
At 30 June	**1,611,573**	1,548,101

(a) The investment properties were valued by CDDS Land Surveyors and Property Valuer, an independent professionally qualified valuer in 2019. The land was derived using the sales comparison approach by reference to land transactions in the vicinity.

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

2019
Significant valuation input:

	Fair value	**Range**
	MUR'000	**MUR'000**
Price per hectare - land	**1,333,119**	**948 - 9,447**

2018
Significant valuation input:

Price per hectare - land	**1,326,433**	**948 - 9,476**

(b) The investment properties were fair valued by Cabinet Razafindratandra, an independent professionally qualified valuer, in 2019. The fair value was determined based on the replacement cost method whereby the valuation of the properties is discounted based on the future evolution of the zone in which the properties are found, the surrounding constructions access to infrastructure and the topography of the land.

11. INTANGIBLE ASSETS

Accounting policies

Goodwill

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

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

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

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives (4 - 5 years).

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

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

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

(a) The Group	**Computer Software MUR'000**	**Development Cost MUR'000**	**Goodwill MUR'000**	**Total MUR'000**
COST				
At 1 July 2018	644,591	6,476	3,284,974	3,936,041
Additions	75,435	-	-	75,435
Disposal	(8,625)	-	(5,962)	(14,587)
Translation adjustment	(17,221)	(286)	34,816	17,309
Impairment charge	-	-	(1,877,286)	(1,877,286)
At 30 June 2019	**694,180**	**6,190**	**1,436,542**	**2,136,912**
AMORTISATION				
At 1 July 2018	314,377	5,008	33,032	352,417
Charge for the year	92,234	28	-	92,262
Translation adjustment	(4,429)	(282)	-	(4,711)
Write offs	(5,328)	-	-	(5,328)
At 30 June 2019	**396,854**	**4,754**	**33,032**	**434,640**
NET BOOK VALUES				
At 30 June 2019	**297,326**	**1,436**	**1,403,510**	**1,702,272**

11. INTANGIBLE ASSETS (CONT'D)

(a) The Group (Cont'd)	Computer Software MUR'000	Development Cost MUR'000	Goodwill MUR'000	Total MUR'000
COST				
At 1 July 2017	593,298	11,764	3,266,372	3,871,434
Additions	84,120	3,015	-	87,135
Acquisition of business operations	-	-	6,972	6,972
Transfer from plant & equipment (Note 9)	7,495	(7,495)	5,183	5,183
Translation adjustment	(39,487)	(808)	6,447	(33,848)
Write offs	(835)	-	-	(835)
At 30 June 2018	**644,591**	**6,476**	**3,284,974**	**3,936,041**
AMORTISATION				
At 1 July 2017	232,993	4,774	33,032	270,799
Charge for the year	95,189	800	-	95,989
Translation adjustment	(13,192)	(566)	-	(13,758)
Write offs	(613)	-	-	(613)
At 30 June 2018	**314,377**	**5,008**	**33,032**	**352,417**
NET BOOK VALUES				
At 30 June 2018	**330,214**	**1,468**	**3,251,942**	**3,583,624**

The breakdown of the impairment charge, accounted for in 2019, is as follows:

	MUR'000
Hospitality segment - Kanuhura	**1,732,532**
Healthcare segment – IMG Group	**141,470**
Finance segment – IPRO Fund Management	**3,284**
	1,877,286

11. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill relating to the Hotel segment

Management of the Hotel segment assessed the recoverable amount of CGUs as at 30 June 2019 for which indicators of impairment exist, or to which goodwill has been allocated. The net impairment losses recognised are as follows:

Cash generating unit	Reportable segment	Impairment charged to profit or loss MUR'000	Reversal of revaluation surplus MUR'000	Total impairment MUR'000
Kanuhura:	**Maldives**			
- Land and buildings		**21,997**	**210,759**	**232,756**
- Plant and machinery		**15,782**	**-**	**15,782**
- Hotel furniture and soft furnishing		**35,821**	**-**	**35,821**
Impairment on property, plant and equipment		**73,600**	**210,759**	**284,359**
Impairment on leasehold rights and land prepayments		**41,249**	**-**	**41,249**
Impairment of goodwill		**1,732,532**	**-**	**1,732,532**
Total impairment on Kanuhura		**1,847,381**	**210,759**	**2,058,140**
Long Beach Resort Ltd:	**Mauritius**			
- Land and buildings		**18,995**	**137,519**	**156,514**
- Plant and machinery		**7,234**	**-**	**7,234**
- Hotel furniture and soft furnishing		**10,878**	**-**	**10,878**
Impairment on property, plant and equipment		**37,107**	**137,519**	**174,626**
Loisirs des Iles Ltée:				
- Land and buildings		**-**	**44,960**	**44,960**
Impairment on property, plant and equipment		**-**	**44,960**	**44,960**
Total impairment		**1,884,488**	**393,238**	**2,277,726**

Analysed as follows:

Statements of profit or loss:		
Impairment of goodwill	**1,732,532**	
Impairment of other non-financial assets (*)	**151,956**	
	1,884,488	
Statements of comprehensive income		
Impairment of property, plant and equipment		**393,238**

The above charges and reversal of revaluation surplus exclude the impact of income taxes.

* In addition to the above impairment, the Hotel Cluster wrote off an additional amount of **MUR 48,885 million** in relation to project costs incurred for a potential development at Belle Mare site, which has not materialised.

11. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill relating to the Hotel segment (Cont'd)

In determining the impairment of the carrying amount of assets for each cash-generating unit (CGU), a value in use calculation was carried out.

Kanuhura

During the year ended 30 June 2019, the goodwill and assets in relation to the Group's operations in Kanuhura were impaired primarily due to revised projections of the resort over the next five years with the increasing supply of rooms in the Maldives industry, leading to intense competition. The value in use calculation was determined based on the discounted cash flow model, which resulted in an enterprise value of MUR 2,501 million. Based on this assessment, impairment losses allocated to goodwill and property, plant and equipment were MUR 1,733 million and MUR 325.6 million respectively.

The Group has used a number of assumptions and judgements in determining the value in use of the Maldives operations, as follows:

(i) the expected future net cash flows for five years have been discounted and added to the discounted estimated terminal value.
(ii) the pre-tax adjusted discount rate used in the most recent value in use in the year ended 30 June 2019 calculation was 13.9% (2018: 13.1%) which was based on the specific circumstances of the CGU.
(iii) the terminal value has been computed by capitalising the net inc ome prevailing at the end of the cash flow projections, using a perpetual growth rate of 3%.
(iv) the ADR is expected to grow at a compounded annual growth rate (CAGR) of 3% per annum from USD 721 in financial year 2020.
(i) an occupancy rate of 60% has been considered in financial year 2020 to reach 75% by financial year 2024.
(ii) these forecasts are based on past experience adjusted to incorporate the expected share of the tourists arrivalsand room price increases.

Long Beach Resort Ltd

During the year ended 30 June 2019, the assets of Long Beach was impaired by MUR 174.6 million primarily due to revised projections of the resort over the next five years under the current challenging conditions of the industry. The value in use calculation was determined based on the discounted cash flow model which resulted in an enterprise value of MUR 2,398 million at 30 June 2019.

The Group used a number of assumptions and judgements in determining the value in use of the Long Beach's operation, as follows:

(i) the expected future net cash flows for five years have been discounted and added to the discounted estimated terminal value.
(ii) the pre-tax adjusted discount rate used in the most recent value in use in the year ended 30 June 2019 calculation was 11.8% (2018: 12.3%) which was based on the specific circumstances of the CGU.
(iii) the terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a perpetual growth rate of 3%.
(iv) the ADR is expected to grow at a compounded annual growth rate (CAGR) of 3.3% per annum from MUR 4,861 in financial year 2020.
(v) an occupancy rate of 81% has been considered in financial year 2020 to reach 83% by financial year 2024.
(vi) these forecasts are based on past experience adjusted to incorporate the expected share of the tourists arrivals and room price increases.

11. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill relating to the Hotel segment (Cont'd)

Loisirs des Iles Ltée

Management's approach for impairment assessment was to state the assets at their fair value less cost to dispose which was higher than value in use.

The fair value was determined based on a valuation conducted by Broll Indian Ocean Limited, Chartered Valuer, in 2018 (Fair Value Hierarchy level 2). Management has considered a discount of 7% on the fair value of buildings to cater for registration duties and other selling costs. Based on this assessment, the fair value less cost to dispose was Rs.911M, which resulted in an impairment charge of Rs.44.96M on the buildings.

(c) Goodwill relating to the Healthcare segment

		2019	2018
		MUR'000	MUR'000
IMG Group	(i)	**335,261**	476,731
C-Care Group (previously knowns as Medical & Surgical Centre Group)	(ii)	**590,940**	590,946
		926,201	1,067,677

The above goodwill is attributable to the workforce and expected synergies of acquired businesses. The goodwill has been subject to impairment testing, as detailed below.

(i) The recoverable amount of these cash-generating units are determined based on fair value less cost to sell. The expected future cash flows for 10 years have been discounted at an appropriate discount rate and added to the estimated terminal value. The discount rate calculation is based on specific circumstances of the cash generating units and a rate of 16.1% (2018: 17.5%) has been estimated. The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a growth rate of 5% (2018: 9.9%) and discounting at an appropriate rate.

	2019	2018
Sensitivity to changes in assumptions – IMG Group	**MUR'000**	MUR'000
Discount factor +0.5% point	**(24,000)**	(42,000)
Discount factor -0.5% point	**26,000**	48,000
Growth rate +0.5% point	**18,000**	42,000
Growth rate -0.5% point	**16,000**	(37,000)

Management has used its past experience in determining the value of each assumption. As a result of this analysis, management identified an impairment in the goodwill of IMG Group of Rs 141m.

(i) The balance consists of a :

(a) Goodwill of Rs 240m for which the recoverable amount of this cash-generating unit has been determined using its fair value, as it is a quoted company. The recoverable amount of the cash-generating units for the remaining balance of Rs 351m has been determined based on the fair value less cost to sell. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections is **8.9%** (2018 : 11%).

(b) Goodwill acquired through business combinations are allocated to:

(i) the Department of Cardiac Sciences and Critical Care
(ii) Wellkin Hospital, which arose on acquisition of Ex-Apollo Bramwell Hospital

11. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill relating to the Healthcare segment (Cont'd)

The carrying amount of goodwill acquired through business combinations is split as follows:

	Department of Cardiac	Wellkin Hospital	Total
	MUR'000	MUR'000	MUR'000
At 31 December 2019 and 2018			
Goodwill	**7,508**	**343,059**	**350,567**

The recoverable amount of Department of Cardiac Sciences and Critical Care Cash Generating Unit has been determined based on its fair value less cost to sell. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections is **10.2 %** (2018: 12.3%). Management has used its past experience in determining the value of each assumption. As a result of the analysis, management did not identify any impairment.

Wellkin Hospital

The recoverable amount of Wellkin Hospital has been determined based on fair value less cost to sell calculation using the cash flow projections from financial budgets approved by senior management covering a five -year period. The pre-tax discount rate applied to cash flow projections is 8.9 % (2018: 11%). As a result of the analysis, management did not identify any impairment.

The key assumptions used for the impairment calculation are:

Operating profit margin: Operating profit margin is based on average values achieved in the year preceding the start of the budget period.

Discount rate: Discount rate represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and specific risk of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived by using comparable industries data and adjust for the country risk and size for the company. The cost of debt is based on the interest-bearing borrowings.

Growth rate estimates: Rates are based on management's best estimates of the Group's and industry's growth rate. Management has used a terminal rate of 3.9% (2018: 5.7%).

Sensitivity to changes in assumptions	Department of Cardiac Science	Wellkin Hospital
	MUR'000	MUR'000
2019		
Discount factor +0.5% point	**5,815**	**(154,464)**
Discount factor -0.5% point	**23,921**	**189,353**
Growth rate +0.5% point	**7,313**	**159,719**
Growth rate -0.5% point	**(7,167)**	**(129,764)**
2018		
Discount factor +0.5% point	(132,000)	(166,630)
Discount factor -0.5% point	156,000	227,169
Growth rate +0.5% point	55,000	203,183
Growth rate -0.5% point	(54,000)	(149,481)

11. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

c) Goodwill relating to the Financial Services segment

A segment-level summary of the goodwill allocation is presented below.

	2019 MUR'000	2018 MUR'000
Indian Ocean Financial Holdings Limited (Group)	**71,381**	71,381
Investment Professionals Ltd	**14,428**	17,712
Mitco Group Limited	**166,478**	166,478
	252,287	255,571

Goodwill is attributable to the above-named companies' strong position and profitability in their respective market and to their workforce. The Group tests whether goodwill has suffered any impairment on an annual basis. For 2019 and 2018 reporting periods, the recoverable amount of the cash generating units (CGUs) was determined based on future cash flows, which require the use of assumptions.

2019	**BNI Madagascar SA**	**BNI Madagascar Limited**	**MITCO Group Limited**
Risk-free rate (%)	**11.00%**	**5.95%**	**5.95%**
Equity beta	**1.00**	**0.73**	**0.73**
Specific risk premium (%)	**4.00%**	**1.00%**	**1.00%**
Equity market risk premium (%)	**7.30%**	**8.18%**	**8.18%**
Weighted Average Cost of Capital (%)	**22.30%**	**12.65%**	**12.65%**
Growth (%)	**3.00%**	**3.00%**	**3.00%**
Model	**Dividend Discount Model**	**Dividend Discount Model**	**Dividend Discount Model**
Number of years	**4**	**3**	**3**
2018			
Risk-free rate (%)	13.00%	5.00%	5.00%
Equity beta	1.00	1.00	1.00
Specific risk premium (%)	4.00%	1.00%	1.00%
Equity market risk premium (%)	7.30%	6.72%	6.72%
Weighted Average Cost of Capital (%)	24.30%	12.72%	12.72%
Growth (%)	3.00%	3.00%	3.00%
Mode	Dividend Discount Model	Dividend Discount Mode	Dividend Discount Mode
Number of years	4	3	3

11. INTANGIBLE ASSETS (CONT'D)

(d) Goodwill relating to the Financial Services segment (Cont'd)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Risk-free rate (%)	Reflects the risk-free rate applicable to the country, for instance, the 15-year (2018: 10-year) bond rate.
Equity beta	Volatility of a stock compared to the market. Applicable rate in country used.
Specific risk premium (%)	Return in excess of the risk-free rate that an asset is supposed to yield based on country in which the investment operates as well as its segment
Weighted Average Cost of Capital (%)	Firm's cost of capital and is not determined by management but rather by external factors. However, this is validated against the general risk appetite framework put in place by the controlling shareholder
Growth (%)	Based on forecasts and business plans of the investee company

2019	BNI Madagascar SA	Investment Professionals Ltd	MITCO Group Limited
Weighted Average Cost of Capital (%)	+ 5%	+ 5%	+ 5%
Impact on Goodwill	Nil	Nil	(MUR 58M)
2018			
Weighted Average Cost of Capital (%)	+ 5%	+ 5%	+ 5%
Impact on Goodwill	Nil	Nil	Nil

12. INVESTMENTS IN SUBSIDIARY COMPANIES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments. Gains and losses arising on the fair value of investments are recognised in other comprehensive income.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Accounting policies (Cont'd)

Consolidated financial statements (Cont'd)

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

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

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

Transactions with non-controlling interests

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

Disposal of subsidiaries

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

Fair value hierarchy

This section explains the judgements and estimates made in determining fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its investments in subsidiaries into the three levels prescribed under the accounting standards.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) The Company	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
	Level 1	**Level 2**	**Level 3**	**Total**
VALUATION				
At 1 July 2018	**4,324,177**	**4,858,755**	**6,822,948**	**16,005,880**
Additions	**204,032**	**-**	**-**	**204,032**
Redemption	**-**	**-**	**(45,060)**	**(45,060)**
Fair value adjustment	**(365,850)**	**(1,559,870)**	**(233,835)**	**(2,159,555)**
Transfers	**(4,162,359)**	**4,162,359**	**-**	**-**
At 30 June 2019	**-**	**7,461,244**	**6,544,053**	**14,005,297**
(b) The Company				
VALUATION				
At 1 July 2017	-	2,866,600	12,235,754	15,102,354
Additions	-	1,641,507	447,345	2,088,852
Redemption	-	-	(140,588)	(140,588)
Disposals	-	-	-	-
Fair value adjustment	-	(183,930)	(860,808)	(1,044,738)
Transfers	4,324,177	534,578	(4,858,755)	-
At 30 June 2018	4,324,177	4,858,755	6,822,948	16,005,880

(i) On 15 May 2019, CIEL Limited acquired an additional 4,512,043 shares in CIEL Textile Limited at Rs 44 per share, for a total consideration of MUR 198.5 million, net of transaction costs of Rs 5.5 million, payable 50% in cash and 50% in shares of CIEL Limited, the latter being equivalent to 15,040,148 new ordinary shares. This increases CIEL Limited's shareholding in CIEL Textile Limited from 88.48% to 92.92%. The implication on the statement of change in equity was to reduce the non-controlling interest by MUR 194 million and the retained earnings by MUR 10 million.

(ii) On 20 July 2017, CIEL Limited acquired an additional 32,755,024 shares in CIEL Textile Limited under the Voluntary Takeover Scheme, for a total consideration of MUR 1.6bn, payable 50% as a cash consideration amounting to MUR 818.9 million and 50% in shares in CIEL Limited equivalent to 113,725,443 new ordinary shares worth MUR 818.9 million, thus increasing its shareholding from 56.31% to 88.48%. The implications on the statement of change in equity were to reduce the non-controlling interest by MUR 1,429 million and reducing the retained earnings by MUR 212 million.

(iii) On 28 August 2017, Sun Limited successfully completed a rights issue of 19,129,924 new ordinary shares and a Private Placement of 28,684,380 new ordinary shares both at an issue price of MUR 39.00 per share thus raising MUR 1.86 billion and reducing CIEL's stake in Sun Limited from 59.96% to 50.10%. The net implications on the statement of change in equity were to increase the non-controlling interest by MUR 741 million and reducing the retained earnings by MUR 294 million.

(iv) During the year ended 30 June 2018, the Group's shareholding in CIEL Healthcare Limited decreased from 53.88% to 53.03%. An amount of MUR 10.9 million has been transferred from retained earnings to non-controlling interest.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Specific valuation techniques used to value the Company's investments include:

Level 1 investments – Unadjusted quoted prices have been used to value these investments.

Level 2 investments – The quoted prices, adjusted by a 10% premium has been used to value investments. This is explained by the fact that the Company holds a controlling stake in those subsidiaries and would expect to offer such a premium, should it wish to acquire more shares in these entities. This premium falls within the range of those offered on previous similar transactions.

Where appropriate, recent transaction price has been used to fair value investments.

Level 3 investments – The net asset value has been used to value the level 3 investments. These represent intermediate investment holding companies, which have also accounted for their respective investments at fair value using appropriate valuation techniques.

There were transfers in the fair value hierarchy during the year ended 30 June 2019. The Group's and Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels 1 and 2 during 2019

In 2019, the Company transferred the investment in a listed entity from level 1 to level 2. In 2018, the directors used the share price as at year end as an input to fair value the investment. However, in 2019, the directors deemed that the price of Rs 44, used for the acquisition of additional shares in its investment in May 2019 would be most reflective of the fair value of its investment at 30 June 2019. The price of this transaction was published on the entity's website and was thus observable to the public.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

30 June 2019 **Description**	**Fair value at MUR'000**	**Valuation technique**	**Unobservable inputs**	**Range of inputs**	
CIEL Finance Limited	**2,695,830**	Price-earnings ratio	Price-earnings ratio	**11.26**	(i)
		Dividend discount model	Weighted-average cost of capital	**22.30%**	(ii)
30 June 2018					
CIEL Finance Limited	2,602,435	Price-earnings ratio	Price-earnings ratio	10.96	(i)
		Dividend discount model	Weighted-average cost of capital	24.30%	(ii)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Relationship of unobservable inputs to fair value

(i) Increase in PE ratio by **2.5** (2018 - 2.5) would increase fair value by **MUR 46 million** (2018 - MUR 68 million).
(ii) increase in the WACC by **5%** (2018 - 5%) would decrease fair value by **MUR 268 million** (2018 - MUR 233 million).

CIEL Agro & Property Limited and CIEL Healthcare Limited have been valued at their net asset value as they hold mainly investments in two quoted entities, which have been valued using the prevailing quoted price.

Valuation process

Management performs the valuation of the investment portfolio and reports directly to the Audit & Risk Committee. Discussions of valuation processes and results are held between the management team and the Audit & Risk Committee on a quarterly basis, in line with the Group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

(i) The Price Earnings Multiple applied to value the investment is derived from the applicable multiple for the banking and insurance sector on the Official Market in Mauritius, as there are no similar companies listed on the market – this is then adjusted by a liquidity discount and a control premium, as needed.
(ii) The weighted average cost of capital applied to value the investment is determined using inputs that reflect current market conditions and the risk specific to this particular investment.

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, Audit & Risk Committee and the valuation team.

The portfolio is revalued on a quarterly basis and movements in fair value are explained to the Audit & Risk Committee.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated capital	
				2019	2018
				MUR'000	**MUR'000**
CIEL Agro & Property Ltd	Ordinary	30 June	MUR	**2,930,318**	2,930,318
CIEL Corporate Services Ltd	Ordinary	30 June	MUR	**25**	25
CIEL Finance Limited	Ordinary	30 June	MUR	**1,933,231**	1,933,231
CIEL Healthcare Limited	Ordinary	30 June	MUR	**1,517,235**	1,517,235
CIEL Textile Limited	Ordinary	30 June	MUR	**685,865**	685,865
Rockwood Textiles Ltd	Ordinary	30 June	MUR	**1**	1
Sun Limited	Ordinary	30 June	MUR	**1,945,451**	1,945,451

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

2019	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	MUR'000	MUR'000	MUR'000	MUR'000
CIEL Textile Limited - Group	**6,860,535**	**4,358,538**	**5,700,053**	**731,660**
Sun Limited - Group	**1,526,081**	**18,925,384**	**2,688,132**	**9,314,052**
CIEL Finance Limited - Group	**17,211,585**	**10,164,498**	**22,068,183**	**1,162,240**
CIEL Healthcare Limited - Group	**761,298**	**2,390,355**	**770,292**	**935,543**

	Percentage holding		Proportion of ownership interests held by non-controlling interests		Country of incorporation	Main business
	2019	2018	**2019**	2018		
	Direct	Direct				
	%	%	**%**	%		
	100.00	100.00	**-**	-	Mauritius	Investment
	100.00	100.00	**-**	-	Mauritius	Management services
	75.10	75.10	**24.90**	24.90	Mauritius	Investment
	53.03	53.03	**46.97**	46.97	Mauritius	Investment
	92.92	88.48	**7.08**	11.52	Mauritius	Investment
	100.00	100.00	**-**	-	Mauritius	Property
	50.10	50.10	**49.90**	49.90	Mauritius	Investment

	Revenue	Profit/(loss) for the year	Comprehensive income	Non-controlling interests
	MUR'000	MUR'000	MUR'000	MUR'000
	12,150,520	**452,962**	**(117,820)**	**201,430**
	6,614,884	**(1,885,601)**	**(360,007)**	**(2,236,317)**
	2,852,571	**629,820**	**(97,527)**	**165,019**
	2,494,841	**(143,087)**	**40,403**	**(166,596)**

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

2019	Operating Activities MUR'000	Investing Activities MUR'000	Financing Activities MUR'000	Net Increase/(decrease) in Cash and Cash Equivalents MUR'000
CIEL Textile Limited - Group	**413,385**	**(456,578)**	**(330,143)**	**(373,336)**
Sun Limited - Group	**1,458,107**	**(554,844)**	**(738,494)**	**164,769**
CIEL Finance Limited - Group	**88,224**	**(144,201)**	**(536,092)**	**(592,069)**
CIEL Healthcare Limited - Group	**1,310,050**	**(1,086,968)**	**(250,824)**	**(27,742)**

	Profit allocated to non-controlling interests during the year MUR'000	Accumulated non-controlling Interests at 30 June 2019 MUR'000
CIEL Textile Limited - Group	**164,159**	**728,298**
Sun Limited - Group	**(942,981)**	**4,623,263**
CIEL Finance Limited - Group	**477,475**	**2,290,287**
CIEL Healthcare Limited - Group	**(46,253)**	**864,114**

2018	Current assets MUR'000	Non-current assets MUR'000	Current liabilities MUR'000	Non-current liabilities MUR'000
CIEL Textile Limited - Group	6,669,243	4,211,997	5,736,961	528,193
Sun Limited - Group	1,670,968	21,204,033	2,330,258	9,681,422
CIEL Finance Limited - Group	15,339,084	10,260,181	20,018,481	1,544,286
CIEL Healthcare Limited - Group	689,907	2,525,229	790,054	872,038

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

2018	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
CIEL Textile Limited - Group	39,176	(502,147)	149,234	(313,737)
Sun Limited - Group	1,068,648	(805,444)	(48,818)	214,386
CIEL Finance Limited - Group	2,703,711	(196,445)	(280,724)	2,226,542
CIEL Healthcare Limited - Group	226,678	(98,964)	(9,403)	118,671

	Profit allocated to Non-Controlling Interests during the year	Accumulated Non-Controlling Interests at 30 June 2018
	MUR'000	MUR'000
CIEL Textile Limited - Group	111,310	817,393
Sun Limited - Group	137,627	5,840,076
CIEL Finance Limited - Group	474,957	2,018,149
CIEL Healthcare Limited - Group	34,393	880,893

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

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June

	Revenue	Profit/(loss) for the year	Comprehensive income	Non-controlling interests
	MUR'000	MUR'000	MUR'000	MUR'000
	10,943,943	317,277	(109,089)	901,570,561
	6,723,879	194,067	702,149	44,018
	2,611,071	742,247	(277,004)	304,931
	2,263,697	(62,711)	7,450	-

13. INVESTMENTS IN JOINT VENTURES

Accounting policies

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

Separate financial statements

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

Consolidated financial statements

Joint ventures are accounted for using the equity method.

(a) The Group	**2019 MUR'000**	2018 MUR'000
At 1 July	**1,558,349**	1,367,847
Transfer from deposit on investments	**43,497**	-
Share of results	**161,215**	272,237
Share of comprehensive income	**24,786**	(42,185)
Dividend	**(69,000)**	(39,550)
At 30 June	**1,718,847**	1,558,349
Made up as follows:		
Net assets	**1,544,362**	1,383,864
Goodwill	**174,485**	174,485
	1,718,847	1,558,349
(a) The Company		
<u>Unlisted</u>	**Level 3**	Level 3
At 1 July	**45,000**	45,000
Transfer from deposit on investments (Note 16)	**43,318**	-
Fair value adjustment	**(44,422)**	-
At 30 June	**43,896**	45,000

The fair value has been based on a discounted cash flow approach over a period of five years using the Gordon Growth Model. A WACC of 14% and terminal growth rate of 3% have been used. An increase/decrease in WACC by 5% would have been decreased/increased the investment fair value by MUR 14,049/MUR 16,416.

The Directors are of the opinion that there were no indicators of impairment on the investment in joint venture at year end.

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

Details of the joint ventures are as follows:

Name of Joint Ventures	Year-end / Reporting date	Effective Percentage holding		Principal activity
		Direct	Indirect	
		%	%	
2019				
Anahita Residence and Villas Ltd	June	**50**	**-**	Hotels and resorts
Bank One Limited	December	**-**	**50**	Banking
Domaine de l'Etoile Limited	June	**-**	**50**	Leisure
Solea Vacances SA	June	**-**	**50**	Hotels and resorts
2018				
Anahita Residence and Villas Ltd	June	50%	-	Hotels and resorts
Bank One Limited	December	-	37.55%	Banking
Domaine de l'Etoile Limited	June	50%	-	Leisure

For the joint ventures having a different reporting date, management accounts have been prepared as at June 30, 2019 and 2018 respectively.

The Directors have concluded that the Group has joint control over Bank One Limited. This is because the Group is the largest shareholder of Ciel Finance Limited, which has joint control over Bank One Limited.

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	Assets	Liabilities	Revenue
	MUR'000	MUR'000	MUR'000
2019			
Anahita Residence and Villas Ltd	**586,949**	**439,418**	**332,419**
Bank One Limited	**41,619,489**	**38,725,136**	**1,561,643**
Domaine de l'Etoile Limited	**1,503**	**7,166**	**3,020**
Solea Vacances SA	**168,293**	**113,134**	**259,105**
2018			
Anahita Residence and Villas Ltd	603,975	441,566	321,775
Bank One Limited	31,401,749	28,755,453	1,203,635
Domaine de l'Etoile Limited	2,399	8,973	2,858

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

	Cash & Cash Equivalents	Non-Current Financial Liabilities	Current Financial Liabilities	Depreciation & Amortisation
	MUR'000	MUR'000	MUR'000	MUR'000
2019				
Anahita Residence and Villas Ltd	**1,570**	**281,196**	**158,222**	**(22,485)**
Bank One Limited	**6,936,448**	**-**	**38,725,136**	**(39,295)**
Domaine de l'Etoile Limited	**(916)**	**-**	**7,166**	**(64)**
Solea Vacances SA	**28,083**	**-**	**113,134**	**(617)**
2018				
Anahita Residence and Villas Ltd	1,263	313,901	124,260	24,189
Bank One Limited	4,167,889	-	28,755,453	47,648
Domaine de l'Etoile Limited	-	-	7,401	244

Notes to the **Financial Statements** (Cont'd)

JUNE 30, 2019

	Profit/(Loss) for the year	Share of Profit/ (Loss)	Other Comprehensive Income	Share of other Comprehensive Income
	MUR'000	MUR'000	MUR'000	MUR'000
	(15,720)	**(7,860)**	**591**	**296**
	337,076	**168,538**	**48,981**	**24,491**
	474	**237**	**-**	**-**
	600	**300**	**-**	**-**
		161,215		
	7,074	4,258	(4,161)	(2,080)
	535,522	267,761	(80,210)	(40,105)
	437	218	-	
		272,237		

	Interest Income	Interest Expense	Income Tax
	MUR'000	MUR'000	MUR'000
	-	**(13,106)**	**-**
	1,561,643	**(539,350)**	**(49,869)**
	-	**(27)**	**-**
	-	**-**	**-**
	-	18,679	4,233
	1,203,635	372,312	(31,141)
	-	23	-

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	Opening Net Assets	Net asset on Amalgamation	Dividends	Profit/ (loss) for the Year	Other Comprehensive income	Closing Net Assets	Ownership	Goodwill	Interest in Joint ventures
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2019									
Anahita Residence and Villas Ltd	**127,569**	**-**	**-**	**(15,720)**	**591**	**112,440**	**56,221**	**-**	**56,221**
Bank One Limited	**2,646,296**	**-**	**(138,000)**	**337,076**	**48,981**	**2,894,353**	**1,447,176**	**174,485**	**1,621,661**
Domaine de l'Etoile Limited	**(6,137)**	**-**	**-**	**474**	**-**	**(5,663)**	**(2,832)**	**-**	**(2,832)**
Solea Vacances SA	**-**	**86,994**	**-**	**600**	**-**	**87,594**	**43,797**	**-**	**43,797**
							1,544,362	**174,485**	**1,718,847**
2018									
Anahita Residence and Villas Ltd	123,214	-	-	8,516	(4,161)	127,569	63,785	-	63,785
Bank One Limited	2,270,084	-	(79,100)	535,522	(80,210)	2,646,296	1,323,148	174,485	1,497,633
Domaine de l'Etoile Limited	(6,574)	-	-	437	-	(6,137)	(3,069)	-	(3,069)
							1,383,864	174,485	1,558,349

14. INVESTMENTS IN ASSOCIATES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in associates are carried at fair value. Any change in fair value is recognised in other comprehensive income. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

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

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

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

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

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

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

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

	2019	2018
	MUR'000	MUR'000
(a) The Group		
At 1 July	**4,746,720**	4,611,465
Additions	**2,128**	5,611
Redemption	**(62,766)**	(12,960)
Share of results	**(283,096)**	74,084
Share of other comprehensive income	**(60,124)**	121,551
Dividends	**(44,726)**	(52,070)
Other movement	**(648)**	(961)
At 30 June	**4,297,488**	4,746,720

14. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The Group (Cont'd)

	2019	2018
	MUR'000	MUR'000
Made up as follows:		
Net assets	**4,233,683**	4,617,576
Goodwill	**63,805**	129,144
	4,297,488	4,746,720
Group's share of net assets		
Listed	**3,271,720**	3,476,065
Unquoted	**961,963**	1,141,511
	4,233,683	4,617,576

(b) The Company

	TOTAL	
	2019	2018
	Unquoted	Unquoted
	MUR'000	MUR'000
At 1 July	**27,214**	28,026
Fair value adjustment	**21,155**	(812)
At 30 June	**48,369**	27,214

14. INVESTMENTS IN ASSOCIATES (CONT'D)

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

Details of the associates are as follows:

Name of associates	Year-end / Reporting date	Effective percentage holding				Principal activity
		Indirect		Direct		
		2019	2018	**2019**	2018	
		%	%	**%**	%	
Alteo Limited	June	**20.96**	20.96	**-**	-	Agro-Property
Laboratoire Internationale Bio Analyse Ltée	June	**35.00**	35.00	**-**	-	Healthcare
Hygeia Nigeria Limited	December	**12.09**	12.09	**-**	-	Healthcare
Jersey Hygeia Investments Limited	December	**12.80**	12.80	**-**	-	Healthcare
Procontact Limited	June	**-**	-	**33.37**	33.37	Call centre
The Kibo Fund LLC	December	**29.79**	29.79	**-**	-	Investment entity
Kibo Capital Partners Ltd	December	**37.55**	37.55	**-**	-	Fund management
EastCoast Hotel Investment Ltd **	June	**15.03**	15.03	**-**	-	Investment holding

For the associates having a different reporting date, management accounts have been prepared as at 30 June 2019 and 2018 respectively.

The Directors confirm that the Company has significant influence over the above associates despite holding less than 20%, through their controlling interests in CIEL Finance, CIEL Healthcare and Sun Limited.

14. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/(loss) for the year attributable to owners	Share of profit / (loss)	Dividends received during the year
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2019								
Alteo Limited	**5,902,147**	**22,656,193**	**3,818,569**	**7,394,551**	**9,162,458**	**(796,962)**	**(167,043)**	**44,726**
Laboratoire Internationale Bio Analyse Ltée	**5,188**	**1,992**	**6,724**	**-**	**21,154**	**341**	**129**	**-**
HNL Investment Limited (Group)	**259,563**	**605,706**	**164,654**	**112,530**	**1,867,491**	**(104,677)**	**(24,105)**	**-**
Procontact Limited	**53,427**	**8,988**	**7,102**	**2,199**	**-**	**10,547**	**3,519**	**-**
The Kibo Fund LLC	**13,806**	**223,742**	**1,029**	**-**	**-**	**(111,530)**	**(44,243)**	**-**
Kibo Capital Partners Ltd	**42,329**	**18,082**	**9,958**	**6,421**	**45,577**	**(496)**	**(248)**	**-**
EastCoast Hotel Investment Ltd	**240,167**	**2,392,200**	**240,167**	**-**	**45,883**	**-**	**-**	**-**
							(231,991)	
2018								
Alteo Limited	6,616,133	23,827,402	5,169,584	6,238,471	8,176,275	397,818	83,383	52,069
Laboratoire Internationale Bio Analyse Ltée	5,227	3,105	7,885	361	19,857	466	164	-
HNL Investment Limited (Group)	686,448	892,834	492,237	56,667	1,271,407	(39,419)	(8,991)	-
Procontact Limited	56,551	9,090	11,495	1,923	131,196	5,630	1,879	-
The Kibo Fund LLC	9,168	633,701	16,936	19,371	1,225	(6,653)	(2,639)	-
Kibo Capital Partners Ltd	42,828	12,299	10,128	6,210	47,946	580	290	-
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	-	-	-	-
							74,084	

14. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	Opening Net Assets	Redemption/ issue of Shares	Other movement	Results Net of Dividends	Other Comprehensive Income for the Year	Closing Net Assets	Ownership Interest	Goodwill	Impairment of Goodwill	Interest in Associates
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2019										
Alteo Limited	**16,584,678**	**-**	**-**	**(1,010,350)**	**35,418**	**15,609,746**	**3,271,720**	**-**	**-**	**3,271,720**
Laboratoire Internationale Bio Analyse Ltée	**5,323**	**-**	**-**	**369**	**-**	**5,693**	**1,992**	**-**	**-**	**1,992**
Hygeia Nigeria Limited	**1,030,382**	**64,082**	**-**	**(105,678)**	**(124,971)**	**863,815**	**197,297**	**102,798**	**(51,105)**	**248,990**
Procontact Limited	**42,660**	**-**	**-**	**10,547**	**-**	**53,207**	**17,716**	**11,851**	**-**	**29,567**
The Kibo Fund LLC	**422,387**	**(158,225)**	**-**	**(111,530)**	**(100,288)**	**52,344**	**20,761**	**-**	**-**	**20,761**
Kibo capital partners Ltd	**38,788**	**4,255**	**-**	**(496)**	**1,483**	**44,030**	**22,004**	**-**	**-**	**22,004**
EastCoast Hotel Investment Ltd	**2,632,367**	**-**	**-**	**-**	**-**	**2,632,367**	**702,455**	**-**	**-**	**702,455**
							4,233,945	**114,649**	**(51,105)**	**4,297,489**
2018										
Alteo Limited	15,843,071	12,863,450	(12,863,450)	149,394	592,213	741,607	3,476,150	-	-	3,476,150
Laboratoire Internationale Bio Analyse Ltée	-	4,857	-	466	-	5,323	1,863	-	-	1,863
Hygeia Nigeria Limited	912,291	124	-	(39,419)	157,386	1,030.382	235,144	117,293	-	352,437
Procontact Limited	42,660	-	(3,003)	5,752	-	45,409	15,153	11,851	-	27,004
The Kibo Fund LLC	560,798	-	(29,366)	(6,653)	(102,392)	422,387	167,351	-	-	167,351
Kibo capital partners Ltd	31,115	-	5,201	580	1,892	38,788	19,470	-	-	19,470
EastCoast Hotel Investment Ltd	2,632,367	-	-	-	-	2,632,367	702,445	-	-	702,445
							4,617,576	129,144	-	4,746,720

14. INVESTMENTS IN ASSOCIATES (CONT'D)

All the associates operate in Mauritius.

The fair value of the Company's interest in associates at 30 June 2019 which are listed / quoted on the Stock Exchange of Mauritius is as follows as at 30 June 2019 and 2018 respectively:

	2019	2018
	MUR'000	MUR'000
Alteo Limited	**1,255,001**	1,680,233

15. INVESTMENTS IN OTHER FINANCIAL ASSETS

Accounting policies

Prior to 01 July 2018

Available-for-sale (AFS)

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

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

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

Dividend on AFS equity instruments are recognised in profit or loss when the Group's and/or the Company's right to receive the dividends is established.

As from 01 July 2018

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the group has irrevocable elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

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

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

	Level 1	Level 1 DEM	Level 3	
(a) The Group	**Listed**	**Quoted**	**Unquoted**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
2019				
At 1 July	**14**	**28,096**	**354,866**	**382,976**
Additions	**-**	**-**	**31,651**	**31,651**
Translation difference	**-**	**-**	**(4)**	**(4)**
Disposals	**-**	**(7,359)**	**(9,887)**	**(17,246)**
Fair value adjustment	**-**	**(20,711)**	**(19,698)**	**(40,409)**
At 30 June	**14**	**26**	**356,928**	**356,968**
2018				
At 1 July	8	24,854	229,872	254,734
Additions	10	26	52,000	52,036
Translation difference	-	-	(1,091)	(1,091)
Disposals	-	(1)	(13,988)	(13,989)
Fair value adjustment	-	3,216	88,070	91,286
At 30 June	18	28,095	354,863	382,976

	Level 1 DEM	Level 3	
(a) The Company	**Quoted**	**Unquoted**	**Total**
	MUR'000	**MUR'000**	**MUR'000**
2019			
At 1 July	**28,070**	**58,693**	**86,763**
Disposals	**(7,359)**	**(7,090)**	**(14,449)**
Fair value adjustment	**(20,711)**	**(7,787)**	**(28,498)**
At 30 June	**-**	**43,816**	**43,816**
2018			
At 1 July	24,854	68,852	93,706
Redemption	-	(13,946)	(13,946)
Disposals	-	-	-
Write offs	-	-	-
Fair value adjustment	3,216	3,787	7,003
At 30 June	28,070	58,693	86,763

15. NVESTMENTS IN OTHER FINANCIAL ASSETS (CONT'D)

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

Name of company	Class of shares held	Percentage Holding 2019 %	2018 %
Cathedrale Development Ltd*	Ordinary shares	20.00	20.00

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

(d) Other financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Rupee	**195,184**	240,951	**22,113**	50,817
US Dollar	**147,290**	128,554	**21,703**	35,946
Euro	**12,234**	232	**-**	-
Ariary	**2,260**	13,239	**-**	-
	356,968	382,976	**43,816**	86,763

(e) None of the financial assets are impaired.

16. DEPOSIT ON INVESTMENTS

	THE COMPANY	
	2019	2018
	MUR'000	MUR'000
At 01 July	**43,318**	43,318
Transfer to investment in joint venture (Note 13)	**(43,318)**	-
	-	43,318

17. LEASEHOLD RIGHTS AND LAND PREPAYMENTS

Accounting policies

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
COST		
At 1 July	**654,806**	485,281
Addition	**126,308**	253,069
Disposal	**-**	(80,000)
Translation difference	**4,612**	(3,544)
	785,726	654,806
ACCUMULATED AMORTISATION		
At 1 July	**116,484**	63,669
Prepayments release to operating expenses	**80,000**	-
Charge for the year	**12,906**	52,867
Impairment charge	**41,249**	-
Translation difference	**410**	(52)
	251,049	116,484
NET BOOK VALUE		
At 30 June	**534,677**	538,322

(i) Leasehold land have been valued taking into consideration comparable sales evidences and lease terms and conditions. The valuation, carried out by Broll Indian Ocean Limited, valued leasehold land held by the subsidiaries in Mauritius at Rs 6,132 million and the subsidiary in Maldives at USD 16 million as at 30 June 2018.

(ii) An amendment to lease contract with Apavou for Ambre rental was made whereby the amount remaining on contract was prepaid, based on a discounted amount of **MUR 9.5 million** (2018 - USD 9.5 million). An amount of **MUR 80 million** (2018 - USD 6.9 million) was paid up to 30 June 2019.

(iii) Sun Limited is under a lease agreement under which the Company is leasing the Ambre Resort & Spa, a 297-room hotel, and sub-lease the land on which the Hotel stands for an initial period of five (5) years, effective from 1 October 2012. On 7 July 2015, the term of the lease agreement was renewed for another five years as from 1 October 2017 to 30 September 2022, at the option of the Company.

18. NON-CURRENT RECEIVABLES

Accounting policies

Prior to 01 July 2018

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

From 01 July 2018

From 01 July 2018, the Group only measures these debts instruments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect cash flow;
- The contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Receivable from sale of land	**7,000**	-
Long-term deposits	**25,521**	13,061
Loans under Executive Share Scheme (Note a)	**16,920**	16,920
Others	**2,015**	398
	51,456	30,379
Less: allowance for impairment loss	**-**	-
	51,456	30,379

(a) Loans under Executive Share Scheme relates to the old scheme granted to key executives where cash was advanced to certain individuals to acquire shares in the Company at market value at grant date. The terms of the scheme were such that when the shares are disposed, the proceed is to be used to settle the loan advanced. The loan carries interest of 3% which is payable half yearly in December and June. The interest for the year has been waived by the Board. The scheme has now been discontinued and replaced by the Phantom Share Option Scheme, refer to note 29 (c).

19. INVENTORIES

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

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

Raw materials - purchase cost on a weighted average cost basis

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Raw materials (fair value less cost to sell)	**1,375,892**	1,275,549
Work in progress (fair value less cost to sell)	**748,886**	786,041
Finished goods (fair value less cost to sell)	**1,079,224**	719,674
Other stocks (fair value less cost to sell)	**142,304**	199,762
Food and Beverages (fair value less cost to sell)	**68,436**	75,867
Operating Supplies (fair value less cost to sell)	**125,455**	101,521
Spare Parts (cost)	**10,179**	3,358
Operating Equipment (cost)	**72,535**	75,102
Fabric and linen (cost)	**25,094**	-
Goods in transit (cost)	**194,761**	362,289
	3,842,766	3,599,163

The cost of inventories recognised as an expense is **MUR 7.6 billion** (2018: MUR 7.17 billion).

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

20. TRADE AND OTHER RECEIVABLES

Accounting policies

Prior to 01 July 2018

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

20. TRADE AND OTHER RECEIVABLES (CONT'D)

Accounting policies (Cont'd)

As from 01 July 2018

Trade receivables are amount due form customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current asset. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objecti9ve to collect the contractual cash flows and therefore measure them subsequently at amortised cost using the effective interest method. Detail about the Group's impairment policies and the calculation of the calculation of the loss allowance are provided in note 46(a)

	THE GROUP		THE COMPANY	
	2019	2018	2019	2018
	MUR'000	MUR'000	MUR'000	MUR'000
Trade receivables	**3,475,126**	3,307,599	**-**	-
Less: Loss allowance of receivables	**(152,542)**	(124,212)	**-**	-
	3,322,584	3,183,387	**-**	-
Receivable from subsidiary companies	**-**	-	**183,823**	290,605
Receivable from associated companies	**24,406**	29,664	**-**	-
Receivable from related corporations	**2,708**	1,023	**-**	-
Other receivables and prepayments	**2,673,292**	2,630,190	**2,686**	1,183
Derivative financial instruments	**-**	-	**-**	-
Advance payments	**122,053**	95,453	**-**	-
Prepayments	**-**	-	**-**	-
Current accounts with other financial institutions	**-**	1,529	**-**	-
	6,145,043	5,941,246	**186,509**	291,788
(a) Other receivables				
Other receivables consist of:				
Export documentary remittances	**1,408,887**	1,332,722	**-**	-
Advance payment	**22,442**	416,321	**-**	-
Taxes and grants	**310,786**	299,714	**-**	-
Deposits	**54,120**	29,818	**-**	-
Prepayments	**386,915**	128,575	**1,444**	1,183
Others	**490,142**	423,040	**1,242**	-
	2,673,292	2,630,190	**2,686**	1,183

20. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

The receivables from associated companies, related corporations and other receivables are neither past due nor impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, net of insurance cover.

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Within 31 - 60 days	**332,401**	226,013
Within 61 - 90 days	**162,104**	136,246
Over 90 days	**458,565**	364,254
	953,070	726,513

The balance of trade receivables is neither past due nor impaired.

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Rupee	**625,323**	853,615
Ariary	**1,750,890**	484,076
US Dollar	**1,712,255**	2,064,264
Euro	**423,256**	953,566
UK Pound	**330,226**	377,201
ZAR	**380,953**	451,910
INR	**699,760**	587,518
Other currencies	**222,380**	169,096
	6,145,043	5,941,246

(a) Impairment of trade receivables

The expected loss rates are based on the payment profiles of clients over a period of 36 months before 01 July 2018, or 01 July 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, Inflation and unemployment rate of Mauritius to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

20. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) As of 30 June 2019, trade and other receivables and other receivables of MUR152 M (2018: MUR 124 M) were impaired. The individually impaired receivables relate to customers, which are in unexpected difficult situation. The ageing of these receivables are as follows:

	THE GROUP				
30 June 2019	**Current**	**Within 31 - 60 days**	**Within 61 - 90 days**	**Over 90 days**	**Total**
Expected credit loss rate (%)	0%	1%	2%	31%	4%
Gross carrying amount (MUR'000)	2,522,056	332,401	162,104	458,565	3,475,126
Loss allowance (MUR'000)	4,783	1,800	3,285	142,674	152,542

(f) The closing loss allowances for trade receivables and other receivable as at 30 June 2019 reconcile to the opening loss allowances as follows:

	2019	2018
	MUR'000	MUR'000
At 01 July (IAS 39)	**124,212**	139,138
Specific provision as at 01 July 2018 (IFRS 9)	**-**	-
Expected Credit Loss (ECL) allowance as at 1 July 2018 (IFRS 9)	**9,297**	-
Loss allowance as at 01 July 2018 (IFRS 9)	**133,509**	139,138
Loss allowance recognised in profit or loss during the year	**-**	-
Amounts written off	**(25,522)**	(26,803)
Provision for the year	**41,102**	11,877
Translation reserve	**3,453**	-
At 30 July 2019	**152,542**	124,212

In 2018, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified.

The creation and release of loss allowance for impairment receivables have been included in 'administrative expenses' in profit and loss. Amount charged to the allowance account are generally written off, when there is no expectation of recovery.

21. CASH AND CASH EQUIVALENTS

Accounting policies

Prior to 01 July 2018

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

As from 01 July 2018

Cash and cash equivalents include highly liquid investments that are convertible to knows amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three month's maturity from the date of acquisition.

For the purposes of the statement of cash flow, cash and cash equivalents comprises cash and balances with banks and central banks excluding mandatory balances with central banks, loans to placements with banks having an original maturity of up to 3 months. Cash and cash equivalents are measured at amortised cost. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Cash in hand	**1,223,008**	855,937	**-**	-
Foreign currency notes and coins	**127,552**	229,126	**-**	-
Balances with the Central Bank	**2,020,399**	2,403,376	**-**	-
Balances due in clearing	**(440)**	45,788	**-**	-
Balances with banks	**2,468,950**	1,448,295	**6,581**	1,784
Placements	**365,487**	1,242,274	**312,340**	-
	6,204,956	6,224,796	**318,921**	1,784
Broken down as follows:				
Banking segment	**4,493,080**	5,133,796	**-**	241
Non-banking segment	**1,711,876**	1,091,000	**318,921**	1,543
	6,204,956	6,224,796	**318,921**	1,784

The balances with the central bank relate to cash held at Central Bank of Madagascar for BNI Madagascar SA.

22. NON-CURRENT ASSETS HELD FOR SALE

Accounting policies

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 a continuing use. This condition is regarded as met only, when the sale is highly probable, and the asset is available for immediate sale in its present condition.

	THE GROUP	
	2019	2018
The movement for the year is as follows:	**MUR'000**	MUR'000
At 1 July	**91,062**	49,812
Disposal	**(78,336)**	(30,119)
Transfer from property, plant and equipment (note 9)	**-**	20,847
Transfer from investment properties (Note 10)	**-**	50,522
As at 30 June	**12,726**	91,062

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

23. LOANS AND ADVANCES TO CUSTOMERS

Accounting policies

Prior to 01 July 2018

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

As from 01 July 2018

From 01 July 2018, The Group only measures loans and advances and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

23. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

(a)	2019	2018
	MUR '000	MUR '000
Retail	**1,870,222**	1,511,274
Professional – SME	**411,706**	566,911
Mid-Cap	**2,396,930**	2,106,690
Institutional	**22,524**	40,141
Corporate customers	**8,758,988**	8,111,591
	13,460,370	12,336,607
Less allowances for credit impairment:		
Retail	**(199,535)**	(132,971)
Professional – SME	**(168,909)**	(282,205)
Mid-Cap	**(244,856)**	(251,239)
Institutional	**(796)**	(593)
Corporate customers	**(160,590)**	(275,738)
	(774,686)	(942,746)
	12,685,684	11,393,861
(b) Remaining terms to maturity		
Within one year	**8,833,893**	6,969,261
Over 1 year and up to 5 years	**3,428,936**	3,787,068
Over 5 years	**422,855**	637,532
	12,685,684	11,393,861

(c) Allowance for credit impairment

At July 1,	**942,746**	1,298,056
IFRS 9 adjustment	**(129,785)**	-
At July 1, as restated	**812,961**	1,298,056
Provision for credit impairment for the year	**7,641**	(241,445)
Foreign currency translation adjustment	**(45,916)**	(113,865)
At 30 June,	**774,686**	942,746

24. LOANS TO BANKS

Accounting policies

Prior to 01 July 2018

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

As from 01 July 2018

From 01 July 2018, The Group only measures loans and advances and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

	THE GROUP	
(a)	**30 June 2019**	**30 June 2018**
	MUR '000	MUR '000
At July 1,	**916,864**	797,970
IFRS 9 adjustment	**(57)**	-
	916,807	797,970
Matured during the year	**(503,502)**	-
Net movement in loans to banks	**-**	118,894
Allowance for impairment	**4**	-
	413,309	916,864
Loans to banks - non-current	**-**	262,974
Loans to banks - current	**413,309**	653,890
	413,309	916,864
Remaining terms to maturity		
Within one year	**413,309**	653,890
Over 1 year and up to 5 years	**-**	262,974
	413,309	916,864

25. INVESTMENTS IN SECURITIES

Accounting policies applicable before 1 July 2018

In accordance with IAS 39 guidance, the banking segment classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the banking segment evaluates its intention and ability to hold such investments to maturity. If the banking segment were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the banking segment is required to reclassify the entirecategory as available-for-sale. Accordingly, the investments would be measured at fair value instead of amortised cost.

Accounting policies applicable as from 1 July 2018

Investments in securities have been assessed as having a business model of holding to collect contractual cash flows comprising solely of payments of principal and interest. Accordingly, these instruments have been classified at amortised cost under the effective interest method.

	THE GROUP	
	2019	2018
	MUR '000	MUR '000
At July 1,	**2,980,634**	2,792,163
IFRS 9 adjustment	**(184)**	-
	2,980,450	2,792,163
Additions	**2,262,982**	2,154,800
Matured during the year	**(604,007)**	(1,715,153)
Allowance for impairment	**(583)**	-
Translation adjustment	**(140,006)**	(251,174)
	4,498,836	2,980,636
Non-Current	**3,052,680**	2,253,396
Current	**1,446,156**	727,240
Remaining terms to maturity		
Within one year	**1,446,156**	727,240
Over 1 year and up to 5 years	**3,052,680**	2,253,396
	4,498,836	2,980,636

The investment in securities are denominated in Ariary. The current securities have coupon rates ranging from **9.70%** to **9.74%** (2018: 2.08% to 9.74%).

The non-current securities have coupon rates ranging from **10.10%** to **11.10%** (2018: 10.15% to 12.70%).

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

26. STATED CAPITAL AND TREASURY SHARES

Accounting policies

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

	THE GROUP AND THE COMPANY		
	Stated Capital	Treasury Shares	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2017	4,251,153	(243,188)	4,007,965
Issue of shares (Note 1)	818,875	-	818,875
Issue of shares to executives (Note 2)	2,268	5,782	8,050
Issue of shares on exercise of rights (Note 3)	-	3,143	3,143
At 30 June 2018	5,072,296	(234,263)	4,838,033
Issue of shares (Note 4)	**22,979**	**75,815**	**98,794**
Issue of shares to executives (Note 5)	**4,286**	**5,936**	**10,222**
Issue of shares on exercise of rights (Note 6)	**-**	**3,165**	**3,165**
At 30 June 2019	**5,099,561**	**(149,347)**	**4,950,214**
	Number of shares	Number of shares	Number of shares
	'000	'000	'000
At 30 June 2017	1,576,176	(49,298)	1,526,878
Issue of shares (Note 1)	113,725	-	113,725
Issue of shares to executives (Note 2)	-	1,162	1,162
Issue of shares on exercise of rights (Note 3)	-	1,053	1,053
At 30 June 2018	1,689,901	(47,083)	1,642,818
Issue of shares (Note 4)	-	**15,040**	**15,040**
Issue of shares to executives (Note 5)	-	**1,178**	**1,178**
Issue of shares on exercise of rights (Note 6)	-	**1,238**	**1,238**
At 30 June 2019	**1,689,901**	**(29,627)**	**1,660,274**

Note 1

On the 11 August 2017, CIEL Limited increased its stake in Ciel Textile Limited from 56% to 89% and thus 113,725,443 ordinary shares of CIEL Limited were issued.

Note 2

In June 2017, an amount of MUR 9,513K net of tax worth of CIEL Limited ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2017 of MUR 7.64, 617,044 shares were issued in 2018.

26. STATED CAPITAL AND TREASURY SHARES

Note 3

During the year 2018, executives of the Group have exercised their rights to acquire 1,052,922 of CIEL Limited ordinary shares under the Share Appreciation Rights Scheme.

Note 4

On 07 June 2019, CIEL Limited increased its stake in Ciel Textile Ltd from 89% to 92% and thus 15,040,148 ordinary shares of CIEL Limited were issued.

Note 5

In June 2017, an amount of MUR 4,799K net of tax worth of CIEL Limited ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2017 of MUR 7.64. 628,136 shares were issued in 2018 and 2019.

In June 2018, an amount of MUR 3,890K net of tax worth of CIEL Limited ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2018 of MUR 7.08. 549,317 shares were issued in 2019.

Note 6

During the year 2019, executives of the Group have exercised their rights to acquire 1,237,819 of CIEL Limited ordinary shares under the Share Appreciation Rights Scheme.

27. REDEEMABLE RESTRICTED A SHARES

	THE GROUP AND THE COMPANY	
	Redeemable Restricted AShares	**Number of Shares**
	MUR'000	**000's**
At 30 June 2018 & 2019	**39,233**	**3,008,887**

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

- Existing Ordinary Shares which hold all economic rights including the right to dividends and voting rights.
- Redeemable Restricted A Shares, being a new class of shares, with no economic rights attached but with voting rights.

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

(i) Either a cash dividend of 5 cents;
(ii) Or 4 'Redeemable Restricted A Shares'.

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

(i) The right to vote at general meetings and on a poll to cast one vote for each share held;
(ii) The right to participate in a rights issue together with the holders of Ordinary Shares on the condition that the holders of each class of shares shall be entitled to subscribe to Shares of that class only;
(iii) No right to any Distribution;
(iv) No right to any surplus assets of the company in case of winding up;
(v) No right to be transferred except with the consent of the holders of at least 75% of the shares of that class.

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

28. OTHER COMPREHENSIVE INCOME

(a) The Group	Revaluation Surplus	Fair value Reserve	Hedging Reserve	Translation of Foreign Operation	Other Reserves	Actuarial Reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2019							
Items that will not be reclassified to profit or loss:							
Impairment of property, plant and equipment	(393,238)	-	-	-	-	-	(393,238)
Deferred tax on property,plant and equipment	61,370	-	-	-	-	-	61,370
Gain on revaluation of land and buildings	65,954	-	-	-	-	-	65,954
Deferred tax on revaluation gain	(12,322)	-	-	-	-	-	(12,322)
Remeasurement of defined benefit obligations	-	-	-	-	-	(94,099)	(94,099)
Deferred tax on remeasurements of post retirement benefit obligations	-	-	-	-	-	1,522	1,522
Fair value adjustment	-	(42,975)	-	-	-	-	(42,975)
Share of joint venture & associates	-	-	-	-	(35,338)	-	(35,338)
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	-	-	-	(265,069)	-	-	(265,069)
Cash flow hedges	-	-	(33,646)	-	-	-	(33,646)
Deferred tax on cash flow hedges	-	-	3,869	-	-	-	3,869
	(278,236)	(42,975)	(29,777)	(265,069)	(35,338)	(92,577)	(743,972)

28. OTHER COMPREHENSIVE INCOME (CONT'D)

(a) The Group	**Revaluation Surplus**	**Fair Value Reserve**	**Cashflow/ Hedging Reserve**	**Translation of Foreign Operation**	**Other Reserves**	**Actuarial Reserves**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
2018							
Items that will not be reclassified to profit or loss:							
Remeasurement of defined benefit obligations	–	–	–	–	–	52,122	52,122
Deferred tax on remeasurements of post retirement benefit obligations	–	–	–	–	–	(17,902)	(17,902)
Gain on revaluation of land and buildings	706,216	–	–	–	–	–	706,216
Deferred tax on revaluation gain	(64,851)	–	–	–	–	–	(64,851)
Items that may be reclassified subsequently to profit or loss:							
Fair value adjustment	–	110,070	–	–	–	–	110,070
Share of joint venture & associates	130,170	(71,293)	(2,205)	44,113	(21,544)	125	79,366
Currency translation differences	–	–	–	(366,794)	–	–	(366,794)
Cash flow hedges	–	–	(1,674)				(1,674)
Deferred tax on cash flow hedges	–	–	(8,715)	–	–	–	(8,715)
	771,535	38,777	(12,594)	(322,681)	(21,544)	34,345	487,838

28. OTHER COMPREHENSIVE INCOME (CONT'D)

(a) The Company

	Fair ValueReserve	**Total**	Fair Value Reserve	Total
	2019	**2019**	2018	2018
	MUR'000	**MUR'000**	MUR'000	MUR'000
Fair value adjustment	**(2,211,319)**	**(2,211,319)**	(1,038,546)	(1,038,546)
	(2,211,319)	**(2,211,319)**	(1,038,546)	(1,038,546)

(b) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

Fair value reserve

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

Hedge reserve

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

Translation of foreign operations

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

Actuarial gains/(losses)

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

29. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME

Accounting policies

(a) Share Appreciation Rights Scheme

The Group operates a Share Appreciation Rights Scheme (SARS) for selected executives employed by one of the subsidiaries of the CIEL Group. Under the Scheme, selected executives are granted a number of rights based on their current salary. The rights will be settled by CIEL Limited issuing shares to the holder of the rights, equivalent to the difference between the exercise price and the grant price per share, multiplied by the number of SARS exercised. CIEL Ltd may buy back shares from the market, or utilise its treasury shares. The rights vest after three years from grant date and lapse after seven years from grant date. The Scheme operated previously under ex-CIEL Investment Ltd before the amalgamation with Deep River Investment Ltd in January 2014. Following the amalgamation and the issue of 344,827,586 new no par value ordinary shares by way of private placement by CIEL Ltd, the number of SARS originally granted and the grant price of the underlying shares were adjusted accordingly. The last issue of the SARS dates back to April 2013. The said scheme has been brought to an end since that date.

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

Accounting policies (Cont'd)

(a) Share Appreciation Rights Scheme (Cont'd)

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

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

Movements in the rights outstanding:

	Grant Price	Number of rights
Granted – in respect of financial year March 2008	6.95	4,332,086
– in respect of financial year March 2009	4.36	7,049,710
– in respect of financial year March 2010	5.44	5,647,572
– in respect of financial year March 2011	4.90	4,159,523
– in respect of financial year March 2012	4.09	5,251,546
– in respect of financial year March 2013	3.75	6,048,089
Total granted		32,488,526
Rights exercised during 2015		
- relating to financial year March 2009	(1,171,533)	
- relating to financial year March 2011	(700,000)	
		(1,871,533)
Rights exercised during 2016		
- relating to financial year March 2009	(5,878,177)	
- relating to financial year March 2010	(937,534)	
- relating to financial year March 2011	(366,912)	
- relating to financial year March 2012	(400,000)	
		(7,582,623)
Rights lapsed and not exercised in 2016		
- relating to financial year March 2008 at MUR 2.18 per right	(4,332,086)	
		(4,332,086)
Rights exercised during 2017		
- relating to financial year March 2010	(4,710,038)	
- – relating to financial year March 2012	(625,000)	
		(5,335,038)

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

Accounting policies (Cont'd)

(a) Share Appreciation Rights Scheme (Cont'd)

	Grant Price	Number of rights
Rights exercised during 2018		
- in respect of financial year March 2011	(3,092,611)	
- in respect of financial year March 2012	(354,622)	
		(3,447,233)
Rights exercised during 2019		
- in respect of financial year 2012	(3,871,884)	
- in respect of financial year 2013	(200,000)	
		(4,071,884)
		5,848,129

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

- in respect of financial year March 2013 6,048,089

The exercise price of the SARS is the market value of the underlying shares on the business day immediately preceding the exercise date. Participants have been issued with shares worth **MUR 7.8 million** during 2019 (2018 - MUR 7.9m, based on the weighted average market price of **MUR 6.34** (2018 - MUR 7.50).

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

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

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

Accounting policies (Cont'd)

(a) Share Appreciation Rights Scheme (Cont'd)

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

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

(b) Share Based Scheme – equity settled

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

The entitlement for the years ended 30 June 2019 and 2018 is as follows:

	2019	2018
	MUR'000	MUR'000
Cash settlement	**8,232**	8,673
Equity settlement	**8,232**	8,673
	16,464	17,346

For the entitlement relating to 2018, based on the share price as at 30 June 2018 of MUR 7.00, this will represent 1,238,972 shares which will be issued in June 2019 and June 2020.

For the entitlement relating to 2019, based on the share price as at 30 June 2019 of MUR 6.40, this will represent 1,286,284 shares which will be issued in June 2020 and June 2021.

30. BORROWINGS

Accounting policies

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

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

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

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

30. BORROWINGS (CONT'D)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
Current	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Bank overdrafts	**1,605,262**	1,394,029	**-**	-
Bank loans repayable by instalments	**1,237,763**	564,137	**-**	-
Fixed rate secured notes (Note (b))	**423,854**	322,766	**423,854**	322,766
Finance lease obligation	**16,401**	38,335	**-**	-
Cash at call with non-subsidiaries	**34,985**	605	**31,627**	166,547
Debentures				
Other loans	**9,719**	27,650	**-**	-
Money market line	**98,336**	150,000	**-**	150,000
Bills discounted	**923,397**	1,242,235	**-**	-
Import loan	**1,389,814**	1,364,389	**-**	-
	5,739,531	5,104,146	**455,481**	639,313
Non-current				
Bank loans repayable by instalments (Note (c))	**3,713,984**	4,388,384	-	-
Fixed rate secured notes (Note (b))	**2,264,093**	1,670,152	2,264,093	1,670,152
Other loans (note (d))	**5,315,465**	5,212,020	-	-
Finance lease obligation (note (e))	**413,072**	425,874	-	-
	11,706,614	11,696,430	2,264,093	1,670,152
Total borrowings	**17,446,145**	16,800,576	2,719,574	2,309,465

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

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

Date of issue	Maturity	Coupon rate	No of notes issued	MUR'000
2015	5 years	5.83%	4,000	400,050
2018	3 years	3.40%	3,000	300,000
2018	5 years	4.00%	3,800	380,102
2018	7 years	4.98%	3,000	300,000
2018	10 years	5.45%	2,900	290,000
2019	7 years	4.29%	3,000	300,000
2019	7 years	4.95%	1,000	100,000
2019	8 years	4.53%	3,000	300,000
2019	8 years	5.15%	1,000	100,000
2019	10 years	5.45%	880	88,000
2019	10 years	4.95%	120	12,000
2019	15 years	5.60%	1,000	100,000
				2,670,152

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

30. BORROWINGS (CONT'D)

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
- after 1 year and before 2 years	**648,722**	827,479
- after 2 year and before 3 years	**681,633**	636,360
- after 3 year and before 5 years	**1,396,014**	1,291,554
- after 5 years	**987,615**	1,632,991
	3,713,984	4,388,384

(d) Other loans

Other loans include a loan taken of MGA 1bn from the social security authority in Madagascar (CNaPs) in December 2015 that has a term of 5 years and bears a fixed coupon rate of 12.50% per annum. They also include a loan contracted by BNI MADAGASCAR in September 2015 with Proparco for EUR 5M which has a remaining term of 2 years and bears a fixed coupon rate of 7.82%.

There are also bonds are secured by floating charges over all the assets of the Hotel Segment and are repayable in the year 2020 to 2023. The bonds are arranged at floating and fixed interest rates and the average interest as at the end of the reporting period was 5.3%. There are also vendors financing of MUR 28 million (2018: MUR 29 million) contracted for the purchase of plant and machinery and are payable over a period of 3 years.

All borrowings are denominated in MUR except for the below:

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
(i) Proparco loans denominated in Euros	**202,851**	201,337
(ii) Social security authority denominated in Ariary	**9,900**	10,000
	212,751	211,337
Repayable:		
Within one year	**9,719**	-
After one year but before two years	**2,130,462**	-
After two years but before three years	**1,679,466**	2,328,996
After three years but before five years	**1,505,537**	1,588,724
After five years	**-**	1,294,300
	5,325,184	5,212,020

30. BORROWINGS (CONT'D)

(e) Finance lease liabilities – minimum lease payments:

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Not later than 1 year	**37,268**	60,922
Later than 1 year and not later than 2 years	**30,652**	35,517
Later than 2 years and not later than 3 years	**24,121**	29,534
Later than 3 years and not later than 5 years	**46,031**	1,054,017
Later than 5 years	**985,235**	-
	1,123,307	1,179,990
Future finance charges on finance leases	**(693,834)**	(715,781)
Present value of finance lease liabilities	**429,473**	464,209
The present value of finance lease facilities may be analysed as follows:		
Not later than 1 year	**16,401**	38,335
Later than 1 year and not later than 2 years	**10,180**	52,472
Later than 2 years and not later than 3 years	**4,592**	26,684
Later than 3 years and not later than 5 years	**7,404**	346,718
Later than 5 years	**390,896**	-
	429,473	464,209

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

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

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
Mauritian rupee				
Bank overdrafts	**5.70 – 6.25**	4.57 – 6.75	**5.75**	5.75 – 6.25
Bank loans repayable by instalments	**3.25 – 5.75**	4.57 – 5.07		
Fixed rate multicurrency notes	**3.40 – 5.85**	3.40 – 5.85	**3.40 – 5.83**	3.40 – 5.85
Finance lease obligations	**6.25 – 8.00**	6.25 – 10.5		
Bills discounted	**5.75% (PLR)**	5.75% (PLR)		
Money market line		3.00		3.00

30. BORROWINGS (CONT'D)

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	%	%	**%**	%
US Dollar				
Bank overdrafts	Libor + 1.5/+ 4.71	Libor + 1.5/+ 2.75	-	-
Bank loans repayable by instalments	4.37 - 7.33	3.98 - 7.50	-	-
Finance lease obligations	2.9 – 6.66	2.9 - 5.08	-	-
Bills discounted	Libor + 1.5/+ 2.4	Libor + 1.5/+ 2.75	-	-
			-	-
Euro			-	-
Bank overdrafts	Euribor + 1.5/+ 3.45	Euribor + 1.5/+ 2.75	-	-
Bank loans repayable by instalments	Euribor + 3	Euribor + 3	-	-
Finance lease obligations	2.75 – 5.00	2.75	-	-
Bills discounted	Euribor + 1.5/+ 2.40	Euribor + 1.5/+ 2.75	-	-
			-	-
Indian Rupee			-	-
Bank overdrafts	9.80 - 10.50	10.00 - 10.15	-	-
Bills Discounted	9.80 -10.50	9.60 -10.25	-	-

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Rupee	**9,987,906**	6,441,679	**2,719,574**	2,309,465
Euro	**2,967,645**	5,846,924	**-**	-
US dollars	**3,763,256**	3,584,120	**-**	-
UK Pound	**396,295**	414,563	**-**	-
INR	**249,065**	373,577	**-**	-
Ariary	**46,888**	24,545	**-**	-
Others	**35,090**	115,168	**-**	-
	17,446,145	16,800,576	**2,719,574**	2,309,465

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

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

(j) The carrying amounts of assets pledged as security for current and non-current borrowings are:

30. BORROWINGS (CONT'D)

(j) Assets pledged as security (Cont'd)

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Non-current assets				
Fixed and floating charge				
Property, plant and equipment	**12,895,102**	22,791,024	**-**	-
Investment properties	**-**	31,597	**-**	-
Intangible assets	**86,756**	2,378,205	**-**	-
Investments in subsidiaries	**11,024,852**	16,030,880	**14,005,296**	16,005,880
Investments in joint ventures	**1,561,757**	45,000	**43,896**	45,000
Investments in associates	**1,408,639**	729,659	**48,369**	27,214
Investments in other financial assets	**157,996**	289,716	**43,816**	86,763
Deposit on investments	**-**	43,318	**-**	43,318
Leasehold rights and land prepayments	**38,016**	503,234	**-**	-
Non-current receivable	**25,521**	13,061	**-**	-
Derivative financial instruments	**26,789**		**-**	
First mortgage				
Freehold land and buildings	**300,025**	65,000	**-**	-
Investment properties	**479,376**	-	**-**	-
Total non-current assets pledged as security	**28,004,829**	42,920,694	**14,141,377**	16,208,175
Current assets				
Fixed and floating charge				
Inventories	**3,292,386**	4,322,041	186,509	291,788
Trade and other receivables	**814,615**	1,155,971	318,921	1,784
Cash cash equivalents	**3,618,434**	3,514,471	-	-
Floating charge				
Property, plant and equipment	**-**	12,025	-	-
Investment in other financial assets	**-**	1,700	-	-
Trade and other receivables	**-**	2,714	-	-
Cash cash equivalents	**-**	8,150	-	-
Total current assets pledged as security	**7,725,435**	9,017,072	505,430	293,572

31. DEFERRED INCOME TAXES

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

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

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

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

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of **17%** (2018 – 17%).

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

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Deferred tax liabilities	**1,208,158**	1,135,809
Deferred tax assets	**(161,685)**	(95,427)
	1,046,473	1,040,382
(b) The movement on the deferred income tax account is as follows:		
At 1 July	**1,040,383**	958,278
Impact of IFRS 9 adjustment	**18,231**	-
Acquisition of business operations	**(2,980)**	-
Translation difference	**(1,711)**	(9,343)
Charged/(Credited) to profit or loss (Note 28)	**46,990**	(21)
(Credited)/Charged to other comprehensive income	**(54,440)**	91,468
At 30 June	**1,046,473**	1,040,382

31. DEFERRED INCOME TAXES (Cont'd)

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

The Group	Accelerated Tax	Revaluation of	
	Depreciation	Properties	Total
Deferred tax liabilities	MUR'000	MUR'000	MUR'000
At 1 July 2017	671,187	673,155	1,344,342
Under /(over) provision	110,772	(11,366)	99,406
Translation difference	470	(5,515)	(5,045)
Charged to profit or loss	73,482	12,097	85,579
Charged to other comprehensive income	-	64,851	64,851
At 30 June 2018	855,911	733,222	1,589,133
Acquisition from business combination	**(2,689)**	**-**	**(2,689)**
Translation difference	**6,405**	**(810)**	**5,595**
Charged /(Credited) to profit or loss	**10,538**	**(1,317)**	**9,221**
Impairment of property, plant and equipment	**-**	**(61,370)**	**(61,370)**
Charged to other comprehensive income	**-**	**12,322**	**12,322**
At 30 June 2019	**870,165**	**682,047**	**1,552,212**

	Provisions/ Others	Retirement Benefit Obligation	Tax Losses Carried Forward	Share Appreciation Rights Scheme	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Deferred tax assets					
At 1 July 2017	39,876	94,323	250,746	1,119	386,064
(Over) /Under provision	(7,924)	4,399	101,941	1,056	99,472
Translation difference	3,954	(322)	599	-	4,231
(Charged)/Credited to profit or loss	(16,532)	(10,681)	114,988	(2,175)	85,600
Charged to other comprehensive income	(8,715)	(17,902)	-	-	(26,617)
At 30 June 2018	10,659	69,817	468,274	-	548,750
Effect of change in accounting policy	**(18,231)**	**-**	**-**	**-**	**(18,231)**
Over provision	**(9,446)**	**-**	**-**	**-**	**(9,446)**
Acquisition from business combination	**-**	**290**	**-**		**290**
Charged/(Credited) to profit or loss	**86,143**	**6,190**	**(120,654)**	**-**	**(28,321)**
Charged to other comprehensive income	**3,869**	**1,522**	**-**	**-**	**5,391**
Translation difference	**(3,824)**	**8,217**	**2,913**	**-**	**7,306**
At 30 June 2019	**69,170**	**86,036**	**350,533**	**-**	**505,739**

At the end of the reporting period, the Group had not recognised deferred tax assets of **MUR 421M** (2018 – MUR 230M) due to unpredictability of future profit streams.

32. RETIREMENT BENEFIT OBLIGATIONS

Accounting policies

Defined benefit plans

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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

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

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

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

Defined contribution plans

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

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

Gratuity on retirement

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

Termination benefits

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

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Defined benefit plans (Cont'd)

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Amounts recognised in the statement of financial position:		
- Defined pension benefits (note (a)(ii))	**255,028**	224,161
Other post-employment benefits (note (b)(i))	**542,007**	438,368
	797,035	662,529
Analysed as follows:		
Non-current liabilities	**797,035**	662,529
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	**28,346**	59,681
- Other post-employment benefits (note (b)(iii))	**10,567**	45,489
	38,913	105,170
Amounts charged to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	**40,454**	5,651
- Other post-employment benefits (note (b)(iv))	**53,645**	(57,773)
	94,099	(52,122)

(a) Defined pension benefits

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

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

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

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
(ii) The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	**952,926**	913,157
Present value of funded obligations	**(1,181,278)**	(1,107,091)
Deficit of funded plans	**(228,352)**	193,934)
Present value of unfunded obligations	**(26,676)**	(30,227)
Liability in the statement of financial position	**(255,028)**	(224,161)
The net defined benefit liability is arrived at as follows:		
Balance at 1 July	**224,161**	211,577
Charged to profit or loss	**56,127**	59,681
Charged to other comprehensive income	**40,454**	5,651
Contributions and benefits paid	**(65,714)**	(52,748)
Balance at 30 June	**255,028**	224,161
(iii) The movement in the defined benefit obligation is as follows:		
Balance at 1 July	**1,137,318**	1,046,382
Current service cost	**48,565**	48,417
Interest expense	**70,810**	63,185
Past service cost	**(1,601)**	(1,978)
Employees contributions	**6,396**	6,400
Actuarial gains/(losses)	**15,267**	11,344
Liability losses due to change in financial assumptions	**(26,811)**	(2,018)
Benefits paid	**(41,990)**	(34,414)
Balance at 30 June	**1,207,954**	1,137,318

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
(iv) The movement in the fair value of plan assets of the year is as follows:		
Balance at 1 July	**913,157**	828,101
Acquisition of business operations	**(1,100)**	-
Expected return on plan assets	**37,384**	53,024
Return on plan assets, excluding amounts included in interest expense	**(15,475)**	1,263
Actuarial gains/(losses)	**(10,633)**	2,367
Scheme expenses	**8,576**	(1,458)
Cost of insuring risk benefits	**(2,112)**	(1,802)
Experience losses	**21,967**	26,332
Employer contributions	**39,515**	35,762
Employee contributions	**1,252**	2,110
Benefits paid	**(39,605)**	(32,542)
Balance at 30 June	**952,926**	913,157
(v) The amounts recognised in profit or loss are as follows:		
Current service cost	**48,880**	48,417
Scheme expenses	**2,055**	(10,513)
Cost of insuring risk benefits	**2,112**	1,802
Expected return on plan assets	**(6,870)**	-
Past service cost	**(1,601)**	9,993
Interest expense	**11,551**	9,982
Total, included in employee benefit expense	**56,127**	59,681
(vi) The amounts recognised in other comprehensive income are asfollows:		
Remeasurement on the net defined benefit liability:		
Liability experience losses	**18,074**	2,788
Changes in assumptions	**(33,065)**	(44,143)
Actuarial losses	**28,390**	27,277
Return on plan assets excluding interest income	**27,055**	(1,324)
Liability losses due to change in financial assumptions	**-**	21,053
	40,454	5,651

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

(vii) The fair value of the plan assets at the end of the reporting period were:

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Cash and cash equivalents	**116,571**	17,261
Local equities	**194,009**	264,853
Overseas equities	**263,009**	398,104
Debt instruments	**348,460**	232,898
Property	**-**	41
Fixed income	**30,876**	-
Total Market value of assets	**952,925**	913,157

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

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

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

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

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

	THE GROUP	
	2019	2018
	%	%
Discount rate	**4.34 - 6.01**	5.00 - 6.50
Future salary increases	**3.00 - 5.50**	4.00 - 5.50

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

	2019		2018	
	Increase	**Decrease**	Increase	Decrease
	MUR'000	**MUR'000**	MUR'000	MUR'000
Discount rate (1% increase)	**-**	**85,838**	-	120,737
Future long-term salary assumption (1% increase)	**67,735**	**-**	72,252	-

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

The present value of the defined benefit obligation has been calculated using the projected unit credit method. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

Longevity risk

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

Salary risk

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

Interest rate risk

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

Market (investment) risk

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

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

(xii) The Group expects to pay **MUR 48.9 million** (2018: MUR 36 million) in contributions to its post-employment benefit plans for the year ended 30 June 2019.

(xiii) The weighted average duration of the defined benefit obligations ranges between 5 and 13 years at the end of the reporting period.

Experience adjustment on plan liabilities **MUR 22.7 million** (2018: MUR 29.2 million)

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post-employment benefits

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

	THE GROUP	
	2019	2018
(i) The amounts recognised in the statement of financial position are as follows:	**MUR'000**	MUR'000
Defined benefit liability	**542,007**	438,368
(ii) Movement in the liability recognised in the statement of financial position:		
Balance at 1 July	**438,368**	496,303
Total expense	**71,996**	45,489
Liability experience gain	**32,042**	(78,254)
Actuarial losses recognised in other comprehensive income	**21,603**	20,481
Benefits paid	**(22,783)**	(45,651)
Acquisition of subsidiary	**781**	-
Balance at 30 June	**542,007**	438,368
(iii) The amounts recognised in the profit or loss are as follows:		
Current service cost	**43,214**	23,967
Past service cost	**2,140**	(10,966)
Interest cost	**26,642**	32,488
At 30 June	**71,996**	45,489
(iv) Amounts for the current year are as follows:		
Present value of defined benefit obligation	**542,007**	438,368
Actuarial losses	**53,645**	(57,773)

	2019	2018
(v) The principal actuarial assumptions used for accounting purposes were:	**%**	%
Discount rate	**4.00 - 6.00**	5.00 - 6.80
Future salary increases	**3.00 - 4.00**	3.50 - 4.00

32. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post-employment benefits (Cont'd)

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

	2019		2018	
	Increase	**Decrease**	Increase	Decrease
	MUR'000	**MUR'000**	MUR'000	MUR'000
Discount rate (1% increase)	**-**	**49,394**	-	42,476
Future long-term salary assumption (1% increase)	**16,484**	**-**	15,683	-

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

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

(vii) The weighted average duration of the defined benefit obligations ranges between 9 and 20 years at the end of the reporting period.

33. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Accounting policies

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

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

	2019	2018
	MUR'000	MUR'000
Legal claims, severance allowances and penalties	**170,939**	28,082
Repayable:		
Within one year	**40,519**	15,992
After one year	**130,420**	12,090

34. OTHER PAYABLES AND DEFERRED INCOME

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Other payables (i)	**20,000**	40,000
Deferred revenue (ii)	**173,702**	64,218
	193,702	104,218

(i) Other payables include an amount of MUR 60 million (current: MUR 20 million (Note 35) & non-current: MUR 40 million) which relates to acquisition of Wellkin Hospital and is payable in 3 yearly instalments as from January 2018. The payable relates to the outstanding lease balance for medical equipment of the previous owner of Wellkin that thegroup has agreed to settle as part of the business acquisition.

(ii) During the year, 14 rooms under the Invest Hotel Scheme were sold generating a revenue of MUR 134.8 million with a profit before tax of MUR 46.6 million generated on the transaction. The rooms were sold by Long Beach ÍHS to investors who Immediately leased the rooms to Long Beach Resort Ltd, for a period until the end of the Government Lease (i.e.) 2070. The transactions take the form of a sale and lease back and accounted as a finance lease in the consolidated financial statements. As such, excess sales proceeds over the carrying amount has been deferred over the period of the lease term.

35. TRADE AND OTHER PAYABLES

Accounting policies

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Trade payable	**1,447,871**	1,414,405	**21,191**	13,275
Client advances	**389,284**	323,972	**-**	-
Payable to subsidiary companies	**-**	-	**13,964**	13,445
Payable to related companies	**81,258**	6,707	**-**	-
Other payables	**1,879,095**	1,247,224	**-**	-
Export documentary remittances	**1,408,091**	1,177,297	**-**	-
Clearing account	**342**	124,829	**-**	-
Deposits from customers	**59,941**	485,223	**-**	-
Employees related expenses	**563,490**	86,246	**-**	-
Accrued expenses	**151,503**	967,645	**-**	-
Current accounts with other banks	**561,889**	205,700	**-**	-
Other payables to banks	**62,938**	8,516	**-**	-
Employee related expenses	**-**	60,000	**-**	-
	6,605,702	6,107,764	**35,155**	26,720
Less non-current portion:				
Other payables (Note 34)	**(20,000)**	(40,000)	**-**	-
	6,585,702	6,067,764	**35,155**	26,720

35. TRADE AND OTHER PAYABLES (CONT'D)

Included in other payables is the provision for an unfavourable event occurred which has caused a loss to one client. However, after seeking appropriate legal advice, the directors of the company have considered that the company is insured for such events under their professional indemnity and consequently a claim has been lodged to the insurance company. Management considers that a provision of USD 927,181 must be paid back to the client and simultaneously, it expects to receive compensation from the insurer an amount of USD 857,181 which has been accounted under other receivables.

Payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
USD	**626,938**	1,640,906	**-**	-
EURO	**162,287**	422,426	**993**	-
MUR	**2,364,196**	2,424,378	**34,162**	26,721
GBP	**7,153**	80,744	**-**	-
INR	**493,556**	490,829	**-**	-
ARIARY	**947,244**	573,656	**-**	-
OTHERS	**2,004,328**	474,825	**-**	-
	6,605,702	6,107,764	**35,155**	26,721

36. INCOME TAX

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.

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
CHARGE	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Current tax on the adjusted profit for the year	**373,702**	272,106	**899**	600
Under provision in previous years	**1,565**	2,482	**-**	-
CSR	**13,784**	14,007	**-**	-
Deferred tax (note 31)	**46,990**	(21)	**-**	-
Charge for the year	**436,041**	288,574	**899**	600

36. INCOME TAX (CONT'D)

	THE GROUP		THE COMPANY	
	2019	**2018**	**2019**	**2018**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
LIABILITY				
At 1 July	**111,819**	60,410	**-**	130
Under provision in previous years	**667**	2,482	**-**	-
Charge for the year	**373,702**	272,106	**899**	600
Paid during the year	**(271,234)**	(123,109)	**(899)**	(730)
CSR	**13,784**	14,007	**-**	-
Advance payment for current year	**(94,890)**	(18,288)	**-**	-
Exchange difference	**(933)**	(82,704)	**-**	-
Tax deducted at source	**(33,693)**	(13,085)	**-**	-
At 30 June	**99,222**	111,819	**-**	-
Analysed as follows:				
Current tax liabilities	**113,224**	123,311	**-**	-
Current tax assets	**(14,002)**	(11,492)	**-**	-
	99,222	111,819	**-**	-

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

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Profit before income tax	**(753,020)**	1,378,910	**156,758**	273,406
Tax calculated at a rate of 17% (2018: 17%)	**(128,013)**	234,415	**26,649**	46,479
Tax effect of :				
Income not subject to tax	**(72,300)**	(118,995)	**(62,275)**	(79,445)
Expenses not deductible for tax purposes	**511,841**	182,868	**36,525**	33,566
Tax on turnover of overseas subsidiaries	**283**	-	**-**	-
Effect of different tax rate	**100,516**	82,796	**-**	-
Under/ (Over) provision in previous years	**(5,368)**	2,482	**-**	-
Tax losses	**(62,609)**	-	**-**	-
Deferred tax losses not recognised	**3,193**	-	**-**	-
Foreign tax credit	**(38,499)**	(22,724)	**-**	-
Deferred tax asset not recognised on tax losses	**149,880**	-	**-**	-
Other adjustments	**(22,883)**	(72,268)	**-**	-
	436,041	288,574	**899**	600

37. DIVIDENDS PER SHARE

Accounting policies

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

	THE GROUP & THE COMPANY	
	2019	2018
	MUR'000	MUR'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend payable for year ended 2019 of **0.14 cents** per share		
(2018: 13 cents per share)	**232,438**	213,566
Interim dividend paid for the year ended 2019 of **0.07 cents** per share		
(2018: 7 cents per share)	**114,997**	114,843
	347,435	328,409
Amount paid during the year	**(114,997)**	(114,843)
Amount payable as at 30 June	**232,438**	213,566

38. DEPOSITS FROM CUSTOMERS

Accounting policies

Deposits from customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

	THE GROUP	
	2019	2018
Banking Segment	**MUR'000**	MUR'000
Demand deposits	**14,917,244**	13,867,733
Savings deposits	**2,651,907**	2,569,658
Time deposits with remaining terms to maturity:		
Within 1 year	**1,841,826**	1,386,998
Over one year and up to five years	**667,338**	1,131,070
	20,078,315	18,955,459
Current	**19,410,977**	17,824,389
Non-current	**667,338**	1,131,070
Individuals	**5,087,559**	4,921,395
SMEs	**7,189,954**	2,031,751
Mid Caps	**2,636,916**	1,701,503
Other corporate	**5,163,886**	10,300,810
	20,078,315	18,955,459

39. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATING ACTIVITIES

		THE GROUP		THE COMPANY	
	Notes	**2019**	2018	**2019**	2018
(a) Cash flow from operating activities		**MUR'000**	MUR'000	**MUR'000**	MUR'000
Reconciliation of profit before income tax to cash generated from operations:					
(Loss) / Profit before income tax		**(753,020)**	1,378,910	**156,758**	273,406
Amortisation of intangible assets	11	**92,262**	95,989	**-**	-
Depreciation	9	**1,110,654**	1,057,075	**-**	-
Interest expense	6	**812,721**	780,711	**109,486**	98,339
Interest income	6	**(32,138)**	(26,614)	**(668)**	(6,477)
Amortisation of leasehold land	17	**92,908**	52,867	**-**	-
Fair value gain on investment property		**(61,569)**	(38,495)	**-**	-
Fair value difference on derivatives		**19,656**	(106,989)	**-**	-
Impairment on investment in associates		**50,835**	-	**-**	-
Share of result of joint ventures	13	**(161,215)**	(272,237)	**-**	-
Share of result of associates		**231,991**	(74,084)	**-**	-
Impairment of goodwill	11	**1,877,286**	-	**-**	-
Intangible assets write back	11	**3,974**	222	**-**	-
Property, plant & equipment written off	9	**3,912**	6,604	**-**	-
Impairment of property, plant & equipment		**110,703**	-	**-**	-
Impairment of leasehold rights	17	**41,249**	-	**-**	-
Reversal of provision for impairment of inventories		**(7,484)**	29,816	**-**	-
Provision for impairment of receivables		**28,330**	118,013	**-**	-
Share based scheme expense	5	**8,014**	5,656	**8,014**	5,656
Movement in provisions and deferred revenue		**343,702**	32,921	**-**	-
Increase in provision for retirement benefit obligations		**40,407**	6,771	**-**	-
Unrealised exchange difference		**12,248**	-	**-**	-
Profit on disposal of held for sale asset	5	**(44,128)**	-	**-**	-
Profit on disposal of investment	5	**(22,188)**	(7,053)	**(22,188)**	-
Profit on disposal of plant and equipment	5	**(486)**	(25,974)	**-**	-
		3,798,624	3,014,109	**251,402**	370,924
Changes in working capital:					
- trade and other receivables		**(224,226)**	(1,072,287)	**105,279**	(57,783)
- loans and advances		**(1,122,767)**	(2,367,563)	**-**	-
- investment securities		**(1,664,373)**	(450,043)	**-**	-
- loans and advances to banks		**503,555**	(118,894)	**-**	-
- inventories		**(236,121)**	(270,631)	**-**	-
- trade and other payables		**311,619**	1,478,121	**7,559**	(38,784)
- deposits from customers		**1,122,857**	4,356,530	**-**	-
Cash generated from operating activities		**2,489,168**	4,569,342	**364,240**	274,357

40. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
(a) Cash and cash equivalents				
Cash in hand and at bank	**1,223,008**	855,937	**318,921**	1,784
Foreign currency notes and coins	**127,552**	229,126	**-**	-
Balances with Central Bank	**2,020,399**	2,403,376	**-**	-
Balances due in clearing	**(440)**	45,788	**-**	-
Balances with bank	**2,468,950**	1,448,295	**-**	-
Placements	**365,487**	1,242,274	**-**	-
	6,204,956	6,224,796	**318,921**	1,784
Bank overdrafts	**(1,605,262)**	(1,394,029)	**-**	-
Cash at call	**-**	-	**(31,627)**	(166,546)
Money market line	**(98,336)**	(150,000)	**-**	(150,000)
	4,501,358	4,680,767	**287,294**	(314,762)

	THE GROUP			THE COMPANY		
	Cash / Bank Overdraft	**Total Borrowings**	**Total**	**Cash / Bank Overdraft**	**Total Borrowings**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
(b) Net debt as at 01 July 2018	4,680,767	(15,256,546)	**(10,575,779)**	(314,762)	(1,992,918)	**(2,307,680)**
Cashflows	(19,739)	-	**(19,739)**	602,056	-	**602,056**
Additions	-	(1,815,708)	**(1,815,708)**	-	(995,029)	**(995,029)**
Repayments	-	1,312,296	**1,312,296**	-	300,000	**300,000**
Foreign exchange adjustment	(159,670)	17,417	**(142,253)**	-	-	**-**
Net debt as at 30 June 2019	4,501,358	(15,742,541)	**(11,241,183)**	287,294	(2,687,947)	**(2,400,653)**

41. CONTINGENCIES

At 30 June 2019, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

CIEL Finance Group has a floating charge of Euro 4 million from the Mauritius Commercial Bank in favour of a bank to counter-guarantee BNI MADAGASCAR in respect of credit concentration limits imposed by the Malagasy regulator.

Sun Limited the Group has no contingent liabilities in respect of the bank and other guarantees and other matter arising in the ordinary course of the business.

CIEL Textile Limited Group had bank guarantees amounting to **MUR 65.5 million** (2018: MUR 40 million) in respect of tax assessments, legal cases and bank guarantees to third parties

CIEL Healthcare Group has contingent liabilities in respect of bank and other guarantees of **MUR 2.0 million** (2018: MUR 2.0 million).

A plaint with summons was served on the Group by Metropolis Bramser Lab Services (Mtius) Ltd ("Metropolis") claiming compensation amounting to **MUR 150 million** (30 June 2018: MUR 150 million) for damages suffered as a result of inter alia an alleged wrongful termination of the contract between the Group and Metropolis. The Group is strongly disputing this claim and filed its plea (defence) before the Supreme Court of Mauritius on 12 July 2019. The case shall proceed to hearing.

There are also some legal cases regarding medical negligence against the Group for which judgement are yet to be delivered. The potential aggregate claims for these legal cases amount to MUR 213 million (30 June 2018: Nil).

Based on the legal advice obtained, management and the board of Ciel Healthcare Group have reasonable grounds to expect that no material financial impact will arise for the company.

42. COMMITMENTS

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
(a) Capital Commitments		
Authorised by the directors and contracted for	**685,788**	501,800
Authorised by the directors but not contracted for	**293,158**	536,000
	978,946	1,037,800

(b) Operating lease commitments

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

The future minimum lease payments are as follows:		
Not later than 1 year	**270,423**	192,744
Later than 1 year and not later than 5 years	**807,432**	569,562
After 5 years	**17,337,598**	19,528,342
	18,415,453	20,290,648

42. COMMITMENTS (CONT'D)

(b) Operating lease commitments (Cont'd)

Hotel segment

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

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

Sun Limited has entered into a lease agreement under which the Company is leasing the Ambre Resort & Spa, a 297-room hotel, and sub-lease the land on which the Hotel stands for an initial period of five (5) years, effective from 1 October 2012. On 7 July 2015, the term of the lease agreement was renewed for another five years as from 1 October 2017 to 30 September 2022.

Rental of office

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

The future minimum lease receivable are as follows:

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Not later than 1 year	**91,728**	62,973
Later than 1 year and not later than 5 years	**277,534**	245,135
After 5 years	**151,746**	180,000
	521,008	488,108

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

The guarantees and other obligations on account of customers and commitments for the banking segment amounted to **MUR 4.2bn** as at June 30, 2019 (2018: MUR 3.9bn) denominated in Ariary.

43. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policies

As permitted by IFRS 9, the Group has elected to continue applying IAS 39 for hedge accounting requirements, hence the below accounting policies are applicable for both the financial years ended 30 June 2018 and 2019.

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

The Group designates certain derivatives as either:

- Hedges of the fair value of recognised liabilities (fair value hedge);
- Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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

Fair value hedge

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

Cash flow hedge

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

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

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

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

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

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

43. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2019			
Assets			
Derivatives used for hedging	**49,918**	**3,126**	**53,044**
Liabilities			
Derivatives used for hedging	**(27,375)**	**-**	**(27,375)**
Total	**22,543**	**3,126**	**25,669**
At 30 June 2018			
Assets			
Derivatives used for hedging	121,977	2,860	124,837
Liabilities			
Derivatives used for hedging	(45,027)	-	(45,027)
Total	76,950	2,860	79,810

Derivatives include forward exchange contracts and interest rate swaps with a notional amount of **MUR 8.7bn** (2018: MUR 2.1Bn).

44. CASH FLOW HEDGE

Textile Segment

The Textile Group is involved in the production and sale of textile apparel, most of which is done through exports to foreign countries. The Textile Group is made up of Knitwear Cluster, Fine knits Cluster and Woven Cluster, and is exposed to foreign exchange risk on the sale of textile products denominated in foreign currency. The Textile Group exports almost all of its production (South African Rand 'ZAR', United States Dollars 'USD', Great Britain Pound 'GBP' and Euro 'EUR').

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

Pre-transaction foreign currency risk

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

Transaction foreign currency risk

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

44. CASH FLOW HEDGE (CONT'D)

The Textile Group adopted the following strategy:

The Treasury Committee and Chief Executive of the Group are responsible for the decision making, with the intention to take cover, through forward exchange contracts with a view to cover for sale transactions that are judged as being highly probable. The intention is to cover for transactional exposures as they are unveiled. Prerogative is given to the Treasury Committee and Chief Executive of the Group to decide if they would keep part of this position uncovered with the view of benefiting from potential currency appreciation against the MUR.

The Textile Group enters into forward covers to manage its foreign exchange risk on foreign denominated sales. Forward exchange covers are taken for orders received and which are highly probable, and this is designated as a cash flow hedge. Forward covers are used as a mechanism to fix the amount of foreign currency denominated sales which are used to modify cash flow between financial instrument and sales receipts upon realisation.

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

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

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

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

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

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

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

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

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

The Textile Group has a single risk category which is the foreign exchange risk on foreign denominated sales.

The Textile Group does not have any forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.

44. CASH FLOW HEDGE (CONT'D)

Textile Cluster

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

Outstanding contracts	2019	2018	2019		2018		Contract value		Fair value		Gains/(loss)	
	Average exchange rate		Sell	Buy	Sell	Buy	2019	2018	2019	2018	2019	2018
			FC '000	FC '000	FC '000	FC '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Sell currency EUR and buy currency USD	**1.15**	1.22	**1,220**	**1,401**	8,587	10,472	**49,207**	360,221	**49,665**	376,991	**458**	16,770
Sell currency EUR and buy currency MUR	**39.83**	41.32	**5,348**	**212,982**	2,620	108,229	**212,982**	108,229	**212,378**	111,999	**(604)**	3,770
Sell currency MUR and buy currency EUR	**40.17**	40.12	**5,423**	**135**	23,069	575	**5,423**	23,069	**5,402**	22,947	**(21)**	(122)
Sell currency MUR and buy currency USD	**0.06**	-	**145**	**233**	-	-	**5,706**	-	**5,762**	-	**56**	-
Sell currency GBP and buy currency USD	**1.33**	1.43	**2,587**	**3,434**	2,446	3,488	**120,591**	3,523	**126,350**	13,190	**5,759**	9,667
Sell currency GBP and buy currency MUR	**45.62**	45.80	**2,331**	**106,344**	6,124	280,457	**106,344**	280,457	**109,273**	283,963	**2,929**	3,505
Sell currency ZAR and buy currency USD	**14.55**	12.94	**132,992**	**9,140**	128,404	9,924	**510,094**	341,402	**512,237**	370,718	**2,143**	29,316
Sell currency ZAR and buy currency MUR	**2.44**	2.63	**205,852**	**502,592**	168,261	442,570	**502,592**	442,570	**507,601**	474,623	**5,009**	32,053
Sell currency USD and buy currency MUR	**35.17**	34.43	**44,076**	**1,549,951**	2,760	95,031	**1,549,951**	95,031	**1,545,752**	94,555	**(4,199)**	(476)
Sell currency USD and buy currency EUR	**0.87**	1.21	**3,625**	**3,143**	2,973	2,455	**71,056**	97,865	**69,892**	92,159	**(1,164)**	(5,706)
Sell currency USD and buy currency ZAR	**14.34**	12.83	**2,998**	**42,977**	390	5,000	**79,463**	2,024	**80,183**	949	**720**	(1,075)
Sell currency USD and buy currency INR	**72.04**	67.55	**5,720**	**412,053**	8,100	547,188	**214,268**	270,967	**220,735**	263,659	**6,467**	(7,309)
Sell currency GBP and buy currency INR	**92.27**	89.38	**1,055**	**97,346**	600	53,631	**50,620**	26,558	**52,176**	26,176	**1,556**	(382)
Sell currency EUR and buy currency INR	**81.73**	81.18	**2,360**	**192,875**	1,300	105,528	**100,295**	52,257	**101,495**	51,880	**1,200**	(377)
Total							**3,578,592**	2,104,173	**3,598,901**	2,183,809	**20,309**	79,634

44. CASH FLOW HEDGE (CONT'D)

Textile Cluster (CONT'D)

	2019 MUR'000	2018 MUR'000
Recognised as follows:		
On statement of financial position		
Fair value asset on forward contracts	**23,663**	87,701
Fair value liability on forward contracts	**(3,354)**	(8,067)
	20,309	79,634
In statement of profit or loss		
(Loss)/gain on financial derivatives	**74,009**	(4,011)
In statement of other comprehensive income		
Gain/(loss) on financial derivatives	**(53,700)**	83,645
	20,309	79,634

Hotel Cluster

The Hotel cluster utilises foreign currency forward and swap contracts in the management of its exchange rate exposures. The following table details the forward currency swap contracts outstanding fair values as at the end of the reporting period.

	Notional principal amount		Assets/ (liabilities)	
	2019	2018	**2019**	2018
Outstanding forward contracts:	**MUR'000**	MUR'000	**MUR'000**	MUR'000
Sell USD	**392,198**	34,630	**(569)**	1,213
Sell EUR	**1,759,128**	48,640	**(4,037)**	1,618
Sell GBP	**481,106**	138,778	**7,258**	219
Sell ZAR	**58,401**	-	**664**	-

	Maturity dates	Notional principal amount		Assets/ (liabilities)	
		2019	2018	**2019**	2018
Outstanding swap contracts:		**MUR'000**	MUR'000	**MUR'000**	MUR'000
USD	July 2019	**-**	40	**-**	42
EUR	July 2019	**23,259**	4,051	**394**	63
GBP	September 2019	**-**	(15,432)	**-**	(295)
TOTAL		**23,259**	(11,341)	**394**	(190)

44. CASH FLOW HEDGE (CONT'D)

Hotel Cluster (CONT'D)

During the period, the Hotel Cluster recognised the following amounts in the profit or loss and other comprehensive income in respect of the cash flow hedge.

	2019 MUR'000	2018 MUR'000
Amount recognised in profit or loss	**5,947**	(1,753)
Amount recognised in other comprehensive income	**(20,054)**	85,319

Below is a schedule indicating as at 30 June 2019, the periods when the hedge cash flows are expected to occur and when they are expected to affect profit or loss.

	Within 1 year MUR'000	1 to 3 years MUR'000	3 to 5 years MUR'000	More than 5 years MUR'000
THE GROUP				
2019				
Cash inflows	**971,102**	**4,723,371**	**2,450,235**	**1,359,893**
Cash outflows	**(971,102)**	**(4,723,371)**	**(2,450,235)**	**(1,359,893)**
Net cash outflows	**-**	**-**	**-**	**-**
2018				
Cash inflows	536,277	3,289,745	2,656,723	3,262,283
Cash outflows	(536,277)	(3,289,745)	(2,656,723)	(3,262,283)
Net cash outflows	-	-	-	-

Finance Cluster

The Finance Cluster had the following forward foreign exchange contracts outstanding at the end of the reporting period.

	Notional amount		Carrying amount	
	Buy MUR'000	Sell MUR'000	Assets MUR'000	Liabilities MUR'000
Year 30 June 2019				
EURO to MUR	**235,053**	**287,265**	**2,676**	**4,316**
EURO to USD	**55,307**	**-**	**6,417**	**-**
GBP to MUR	**83,644**	**83,918**	**2,421**	**2,421**
GBP to USD	**267**	**-**	**1**	**-**
USD to MUR	**1,541,693**	**1,497,611**	**13,408**	**15,951**
ZAR to MUR	**73,903**	**73,903**	**1,332**	**1,332**
	1,989,867	**1,942,697**	**26,255**	**24,020**
Year 30 June 2018				
EURO to MUR	83,654	116,930	2,623	547
EURO to USD	80,500	61,970	5,409	2,095
GBP to MUR	78,908	97,118	1,241	1,449
GBP to USD	18,823	-	841	-
USD to MUR	736,048	713,491	11,643	20,346
ZAR to MUR	154,269	154,269	12,520	12,523
	1,152,202	1,143,778	34,277	36,960

45. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The Group		Dividend Income	Rental and Other Income	Management Fees Receivable	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Associated companies	**2019**	**44,726**	**6,518**	**-**	**23,364**	**9,885**
	2018	-	29,014	175	29,664	6,707
Enterprises that have a number of common directors	**2019**	**-**	**400**	**-**	**-**	**589**
	2018	-	617	-	-	-
Joint ventures in which the company is a venturer	**2019**	**-**	**2,762**	**-**	**2,539**	**-**
	2018	-	-	-	1,023	-

(b) The Company		Dividend Income	Management Fees and Other Expenses	Interest, Rental and Other Income	Financial Charges	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary companies	**2019**	**327,148**	**48,080**	**547**	**6,821**	**183,823**	**42,311**
	2018	442,278	49,254	6,125	531	290,605	179,992
Joint Ventures in which the company is a venturer	**2019**	**-**	**-**	**-**	**-**	**-**	**-**
	2018	-	-	-	-	43,318	-

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

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

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(d) Key management personnel salaries and compensation

	THE GROUP	
	2019	2018
	MUR'000	MUR'000
Salaries and short-term employee benefits	**452,389**	423,335
Post-employment benefits	**23,540**	15,859
Termination benefit	**4,520**	-
Share based payments	**4,545**	5,599
	484,994	444,793

46. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

Non-banking specific segment

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

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

Banking specific segment

One of the group's subsidiary, BNI MADAGASCAR, is a bank in Madagascar. The Group analyses the financial risk management of BNI MADAGASCAR separately as the Banking operations are different compared to other entities in the Group which are involved in various non-banking activities.

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

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk

Non-banking specific segment

Textile Cluster

The cluster's credit risk is primarily attributable to its trade receivables. The amount presented within the Group's segmental note is net of allowances for doubtful receivables, estimated by the management based on prior experience and the current economic environment. The cluster has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Hotels & Resorts Cluster

The cluster has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The cluster only transact with entities of good credit rating. This information is supplied by independent rating agencies where available and, if not available, the cluster uses other publicly available financial information and its own trading records to rate its major customers. The cluster's exposure and the credit risks of its counterparties are continuously monitored. The carrying amount of financial assets recorded, which is net of impairment losses, represents the cluster's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Agro & Property Cluster

The cluster's risk is primarily attributable to its receivables. The amount presented within the Group's segmental note is net of allowances for doubtful receivables, estimated by the management based on prior experience and the current economic environment.

Healthcare Cluster

The cluster's risk is primarily attributable to its trade receivables. The amount presented within the Group's segmental note is net of allowances for credit losses, estimated by the management based on prior. experience and the current economic environment. The cluster has a dedicated debtors recovery team that monitors its debtors balance. Where applicable, the cluster takes necessary legal actions in order to recover its balances from the debtors.

Finance Cluster

The Group's credit risk from its non-banking operations is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of provision for impairment calculated as from 1 July 2018 according to IFRS 9 based on past history, the current economic environment and future macro-economic variables. The Group has policies in place to ensure that sales of services are made to customers with an appropriate private credit history. The credit quality of this financial asset can be assessed by the historical information about the financial strengths of the financial institutions the Group is dealing with. In the opinion of the Group, there is no associated risk as these are reputable institutions.

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

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Banking specific segment

Credit risk is the risk of suffering financial loss, should any of the BNI's customers, clients or market counterparties fail to fulfil their contractual obligations to BNI. Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances.

BNI is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures'), including non-equity trading portfolio assets and settlement balances with market counterparties and reverse repurchase loans. Management carefully manages its exposure to credit risk where credit risk management and control are centralised in a credit risk management team (namely Direction of Risks, Legal, Compliance & Controls), managed by the Chief Risk Officer, who reports to Indian Ocean Financial Holding Limited's ('IOFHL') Risk Committee.

Credit risk management

The Group has put in place clear policies to manage its credit risks from its banking subsidiaries. This includes tolerance thresholds, maximum exposure limits, having an approval process that maintains the equilibrium objectives and risk management, and the responsibility and accountability for credit risk management has defined. All policies and limits are presented to the board for information

The strategy is to set a global acceptable level of risk and exposure limits and then to put in place the required ensure that the risks taken remain within the acceptable threshold. The Risk Strategy and related threshold are approved by the Risk Committee. These include a global limit set as regards to sovereign risk with the Central Bank and other government institutions, whilst for the corporate sector, the limits are set per sector, that is, telecommunications, transport-transit, real estate and textile. Limits have also been set for the retail client professionals (hotel and tourism, transport/ transit, BTP and textile). The credit policies are reviewed annually with the budget.

Management regularly reviews the loan portfolio, including non-performing loans, and periodically submit their review to the credit committee to ensure adequacy of provision and monitoring of written off account.

Risk limit control and mitigation policies

BNI manages, limits and controls concentrations of credit risk whenever they are identified – within individual counterparties, groups and sectors.

BNI structures credit risk by placing limits on the level of risk accepted for one borrower, one group of borrowers, or for industry segments. Such risks are monitored on a recurring basis and are subject to annual or more frequent reviews when considered necessary. Limits on the level of credit risk by product or industry sector are approved quarterly by the Risk Committee, which reports to the Board of Directors.

The exposure on borrowers including banks and brokers is further restricted by imposing limits covering on and off-balance sheet exposures, and by limiting daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default. Some other specific control and mitigation measures are outlined on the next page.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

(a) Collateral

BNI employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. BNI implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:
- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and accounts receivable.
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss BNI will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

(b) Lending limits (for loan books)

BNI maintains strict control limits on loan books. The amount subject to credit risk is limited to expected future net cash inflows of instruments, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not always obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities.

(c) Financial covenants (for credit related commitments and loan books)

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans.

Documentary and commercial letters of credit – which are written undertakings by BNI on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, BNI is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards (often referred to as financial covenants).

BNI monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

The maximum exposure to credit risk before collateral for the banking segment is as follows:

	2019	2018
	MUR'000	MUR'000
Credit risk exposure to on-balance sheet assets:		
Cash and cash equivalents	**4,493,074**	4,197,289
Loans to banks	**413,308**	916,864
Loans and advances to customers	**12,685,684**	11,393,861
Investment in securities	**4,492,122**	2,969,411
Trade and other receivables	**1,749,455**	1,545,618
Total on balance sheet exposure	**23,833,643**	21,023,043
Credit risk exposure to off-balance sheet assets:		
Acceptances, guarantees, letter of credit and other obligations on account of customers	**4,203,655**	3,898,899
Total on and off-balance sheet exposure	**28,037,298**	24,921,942

The Bank also reviews its concentration risk to ensure that it is not exposed to a specific sector. The table below analyses the Bank's exposure as at 30 June:

	2019	2018
	MUR'000	MUR'000
Corporate	**13,578,231**	11,313,072
Central Bank	**6,512,521**	5,372,787
Financial institution	**4,526,404**	2,710,777
Retail	**3,420,298**	1,626,407
	28,037,454	21,023,043

48% of the Bank's exposure is with Corporate entities operating in different sector and while the credit risk with central bank represents 23% of the Bank total on balance sheet exposure.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

The table below represents an analysis of the group assets as at 30 June 2019 and 2018:

	AAA	BBB	CC	Unrated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2019					
Credit rating					
Loans and advances to customers	**594,128**	**9,494,382**	**146,942**	**2,450,232**	**12,685,684**
Loans and advances to banks	**413,308**	**-**	**-**	**-**	**413,308**
Investment in securities	**-**	**-**	**-**	**4,492,122**	**4,492,122**
Cash and cash equivalent	**-**	**-**	**-**	**4,493,074**	**4,493,074**
Trade and other receivables	**-**	**-**	**-**	**1,749,455**	**1,749,455**
	1,007,436	**9,494,382**	**146,942**	**13,184,883**	**23,833,643**
Off balance sheet exposure	**-**	**-**	**-**	**4,203,655**	**4,203,655**
Total on and off-balance sheet	**1,007,436**	**9,494,382**	**146,942**	**17,388,538**	**28,037,298**

	AAA	BBB	CC	Unrated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2018					
Credit rating					
Loans and advances to customers	172,432	8,935,399	61,204	2,224,826	11,393,861
Loans and advances to banks	916,864	-	-	-	916,864
Held to Maturity	-	-	-	2,969,411	2,969,411
Cash and cash equivalent	-	-	-	4,197,289	4,197,289
Trade and other receivables	-	-	-	1,545,618	1,545,618
	1,089,296	8,935,399	61,204	10,937,144	21,023,043
Off balance sheet exposure	-	-	-	3,898,899	3,898,899
Total on and off-balance sheet	1,089,296	8,935,399	61,204	14,836,043	24,921,942

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Credit risk measurement

Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for Risk Management purposes is complex and requires the use of models, as the exposures vary with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

In measuring credit risk of loan and advances at a counterparty level, BNI considers three components: (i) the 'probability of default' (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derive the 'exposure at default' (EAD); and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default') (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimise their effectiveness. These credit risk measurements, which reflect expected loss (the 'expected loss model'), are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee) and are embedded in the Group's daily operational management.

This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

(a) Probability of default

The probability of default (PD) is the likelihood that a particular borrower will default. PD is a point in time estimate which is calculated based on statistical rating models. For BNI, the PD was based on past historical data and regressed using ARIMA, a statistical model.

(b) Exposure at default

EAD is based on the amounts BNI expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, BNI includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur. The EAD for term loans, Real Estate loans and leases is estimated by calculating the expected exposure for the next 12 months. Firstly, the expected closing balance is estimated (assuming the borrower will pay regularly up to the month under observation). Then assuming the borrower is equally likely to default on any of the next 12 months, the expected 12 months EAD is computed by averaging the closing balances for the next 12 months. Note, if remaining tenor is less than 12 months, then the closing balances for the remaining months is calculated and similarly an average is computed. Off Balance sheets items comprise of Bank Guarantee, Letter of Credit, Acceptance, Swap, Spot and Forward. The EAD of all Off-Balance sheet items are calculated using the regulatory credit conversation factor - Contractual Cash Flow ('CCF') figure of 100%.

(c) Loss given default/loss severity

Loss given default or loss severity represents BNI's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The measurement of exposure at default and loss given default is based on the risk parameters standard under Basel II. For measuring the exposure for credit risk on a portfolio basis (for example, mortgage loans).

For both LGD and PD, the Bank segmented its book into Retail, Corporate, Professional - Small and Medium Enterprises (SME), Institutional and Mid-Caps portfolios. The Bank adopted an LGD figure of 65%, which is more conservative than Basel III guidelines (45%) for its portfolios. The LGD level used in the model corresponds approximately to the historical recovery rate after discount of collaterals. The Bank is setting up new structures for efficient data keeping and aims to migrate to internally developed LGD models once adequate data is available to support the relevant LGD models.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Credit risk measurement (Cont'd)

Loans and advances (including loan commitments and guarantees) (Cont'd)

Expected credit loss measurement (ECL)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments and certain financial guarantee contracts. The Bank's debt instruments that are currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under IFRS 9.

The Bank has applied the new rules from 1 July 2018. However, comparatives for previous years will not be restated.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet deemed credit impaired. Refer to note (iii) for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'stage 3'. Refer to notes (iv) for a description of how the Bank defines credit-impaired and default.
- Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events within the next 12 months. Instruments in stages 2/3 have their ECL measured on expected credit losses on a lifetime basis. Refer to note (v) for a description of inputs, assumptions and estimation techniques used in measuring ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note (vi) includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (stage 3). Currently the Bank does not have any purchased or originated credit-impaired financial assets on its books.

Further explanation is also provided of how the Bank determines appropriate groupings when ECL is measured on a collective basis. (Refer to note (vi))

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit

Change in credit quality since initial recognition

Stage 1	Stage 1	Stage 1
(Initial recognition) 12-month expected credit losses	(Significant increase in credit since initial recognition) Lifetime expected credit losses	(Initial recognition) Lifetime expected credit losses

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Credit risk measurement (Cont'd)

Loans and advances (including loan commitments and guarantees) (Cont'd)

Expected credit loss measurement (ECL) (Cont'd)

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following qualitative or backstop criteria have been met.

Qualitative criteria

For Retail portfolios, if the borrower meets one or more of the following criteria:
- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last (12) months

For Corporate and Investment portfolios, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early sign of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR is performed on a quarterly basis at a portfolio level for all retail financial instruments held by the Bank. In addition to Corporate and Investment Financial Instruments, where a watchlist is used to monitor credit risk, this assessment is performed at the counterparty level on a quarterly basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Significant increase in credit risk (SICR) (Cont'd)

Qualitative criteria

The borrower meets unlikeliness to pay criteria which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable than the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Bank expected loss calculations.

An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any default criteria for a consecutive period of six instalments or six months. The period of six months/instalments has been determined based on the definition prescribed by the Central Bank, in its Credit Classification and Provisioning guidelines.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per 'Definition of default and credit-impaired' above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime ED) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M PD), or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.
- LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio, which is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

• For amortizing products and bullet repayment loans, this is based on the contractual repayments owned by the borrower over a 12M or lifetime basis. This will be adjusted for any expected overpayments made by a borrower. Early repayment/ refinance assumptions are also incorporated into the calculation.

• For revolving products, the exposure at default is predicted by taking current drawn balance and adding a 'credit conversion factor' (CCF) which allows for the expected drawdown of the remaining limit by adding the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type:

• For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

• For unsecured products, LGD's are typically set at product level due to limited differentiation in recoveries achieved across different borrowers.

The assumptions under the ECL calculation- such as how the maturity profile of the PDs and how collateral value change are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The calculation of ECL did not incorporate any forward-looking information. The Bank has performed a historical analysis and did not identify any key economic variable that could highly correlate with the Bank's portfolio. The probability of default was, thus, only based on the past historical rates, as described above.

Maximum exposure to credit risk- Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets overleaf also represents the Bank's maximum exposure to credit risk on these assets:

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

	30 June 2019			
Loans & advances to customers at amortised cost	**Stage 1 MUR '000**	**Stage 2 MUR '000**	**Stage 3 MUR '000**	**Total MUR '000**
Performing	11,904,772	527,058	-	12,431,830
Special Mention	-	-	-	-
Sub-Standard	-	-	1,028,540	1,028,540
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	11,904,772	527,058	1,028,540	13,460,370
Loss allowance	(101,944)	(4,190)	(668,552)	(774,686)
Carrying amount	11,802,828	522,868	359,988	12,685,684

	30 June 2019			
Loans & advances to banks at amortised cost	**Stage 1 MUR '000**	**Stage 2 MUR '000**	**Stage 3 MUR '000**	**Total MUR '000**
Performing	413,362	-	-	413,362
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	413,362	-	-	413,362
Loss allowance	(53)	-	-	(53)
Carrying amount	413,309	-	-	413,309

	30 June 2019			
Investment securities at amortised cost	**Stage 1 MUR '000**	**Stage 2 MUR '000**	**Stage 3 MUR '000**	**Total MUR '000**
Performing	4,492,706	-	-	4,492,706
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	4,492,706	-	-	4,492,706
Loss allowance	(584)	-	-	(584)
Carrying amount	4,492,122	-	-	4,492,122
Off-Balance Sheet items				

	30 June 2019			
Financial guarantees	**Stage 1 MUR '000**	**Stage 2 MUR '000**	**Stage 3 MUR '000**	**Total MUR '000**
Performing	4,239,105	-	2,632	4,241,737
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Gross carrying amount	4,239,105	-	2,632	4,241,737
Loss allowance	(36,371)	-	(1,711)	(38,082)
Carrying amount	4,202,734	-	921	4,203,655

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Collateral and other credit enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The Bank prepares a valuation of the collateral obtained as part of the loan origination process. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss the Bank seeks additional collateral from the counterparty as soon as impairment indicators are identified for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Credit-impaired assets	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
	MUR '000	MUR '000	MUR '000	MUR '000
Loans and advances to customers:				
Individual	220,624	(143,406)	77,218	2,080
Professional - SME	247,773	(161,052)	86,721	110,868
Mid-Cap	329,692	(214,300)	115,392	196,208
Institutional	229,232	(149,001)	80,231	495
Corporate	1,220	(793)	427	101,611
Financial guarantees	2,632	(1,711)	921	-
Total credit-impaired assets	**1,031,173**	**(670,263)**	**360,910**	**411,262**

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Financial assets derecognised during the period.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Credit risk (Cont'd)

Loss allowance (Cont'd)

The following tables explain the changes in the loss allowance on loans and advances to customers between the beginning and the end of the annual period due to these factors:

Loans and advances to customers - Individual	Stage 1 12-month ECL12-month ECL	Stage 2 12-month ECL12-month ECL	Stage 3 12-month ECL12-month ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2018	56,601	566	89,686	146,853
New financial assets originated/purchased	11,450	618	53,719	65,787
Changes to PDs/LGDs/EADs	(12,979)	(126)	-	(13,105)
Loss allowance as at 30 June 2019	**55,072**	**1,058**	**143,405**	**199,535**

Class of Asset – Professional SME	Stage 1 12-month ECL12-month ECL	Stage 2 12-month ECL12-month ECL	Stage 3 12-month ECL12-month ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2018	22,286	2,883	183,712	208,881
New financial assets originated/purchased	(3,727)	(1,290)	(22,660)	(27,677)
Changes to PDs/LGDs/EADs	(10,935)	(1,360)	-	(12,295)
Loss allowance as at 30 June 2019	**7,624**	**233**	**161,052**	**168,909**

Class of Asset – Mid-Cap	Stage 1 12-month ECL12-month ECL	Stage 2 12-month ECL12-month ECL	Stage 3 12-month ECL12-month ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2018	27,019	1,027	186,328	214,374
New financial assets originated/purchased	4,953	212	27,972	33,137
Changes to PDs/LGDs/EADs	(2,560)	(95)	-	(2,655)
Loss allowance as at 30 June 2019	**29,412**	**1,144**	**214,300**	**244,856**

Class of Asset – Institutional	Stage 1 12-month ECL12-month ECL	Stage 2 12-month ECL12-month ECL	Stage 3 12-month ECL12-month ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2018	2	-	728	730
New financial assets originated/purchased	(2)	-	65	63
Changes to PDs/LGDs/EADs	3		-	3
Loss allowance as at 30 June 2019	**3**	**-**	**793**	**796**

Class of Asset – Corporate	Stage 1 12-month ECL12-month ECL	Stage 2 12-month ECL12-month ECL	Stage 3 12-month ECL12-month ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2018	3,829	97	192,274	196,200
New financial assets originated/purchased	861	1,529	(43,273)	(40,883)
Changes to PDs/LGDs/EADs	5,144	129	-	5,273
Loss allowance as at 30 June 2019	**9,834**	**1,755**	**149,001**	**160,590**

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

Loss allowance (Cont'd)

(ii) Price risk

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

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

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

Sensitivity analysis

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

Class of Asset – Corporate	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Financial asset at fair value through OCI	**17.8**	19.1	**2.2**	4.3

(iii) Market risk - Banking Segment

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

The Bank is exposed to market risks, which is the risk that the fair value or future cash flows of a financial fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, curry and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Bank separates exposure to market risk into either trading or non-trading portfolios.

The market risk arising from trading and non-trading activities are concentrated in the Bank's Treasury teams. Regular reports are submitted to the Management and the Board of Directors. The Board of Director risk strategy, risk policies and prudential limits within which the operations are to be carried out.

The market risk arising from trading and non-trading activities are concentrated in the Bank's Treasury teams. Regular reports are submitted to the management and the Board of Directors. The Board approves the risk strategy, risk policies and prudential limits within which the operations are to be carried out. Compliance to the strategy, policies and prudential limits are monitored by the risk committee. Management monitors adherence to the limits daily, which facilitates the risk management.

Non-trading portfolios primarily arise from the interest rate management of the Bank's commercial banking assets and liabilities.

The cash surplus is placed either:

(i) Through a subscription of treasury bonds or on the local money market ('PMML') for local currency; or
(ii) On the international money market for foreign currencies,

with limits imposed on each category of equity/debt based on the level of risk inherent in the market. Once 90% of the limit is exceeded, the placement is flagged and appropriate measures are taken to allocate the cash surplus in an alternative way.

All foreign currencies are transacted on the foreign exchange interbank market while the purchases and sales are carried out in cash.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(iv) Interest rate risk

Non-banking specific segment

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

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

Had interest rate on financial liabilities been 1% higher/lower with all other variables held constant, the effect on profit or loss would be as follows for the Group, excluding CIEL Finance Group, which comprises mainly of BNI MADAGASCAR.

Class of Asset – Corporate	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit or loss	**172.3**	163.8	**26.9**	23.1

Banking specific segment

TThe Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Group Treasury.

Treasury Bonds

The Treasury Bonds are held until maturity. They are valued at cost and bear a fixed interest rate. Following local applicable rules in Madagascar, the bonds are not revalued at market price at maturity.

Interbank placements are also at a fixed interest rate.

Bonds in foreign currencies are placed for a period between 3 to 6 months, at a pre-agreed rate.

Clients transactions

BNI's prime lending rate is indexed on the Prime Lending Rate ('PLR') of the Central Bank of Madagascar, which is then used to determine the different applicable rates for credit lending. The Central Bank's Prime Lending Rate increased from 8.3% to 9% in May 2017 and was subsequently increased to 9.5% on 9 November 2017. BNI's Prime Lending Rate has remained unchanged at 14.9% since 2009.

Most of the Bank's credit is at a variable rate indexed to the PLR, hence more or less fixed (unchanged since 2009). There is no correlation between the rates on the government bonds and the prime lending rate applied by BNI.

Deposits are remunerated at a fixed rate.

The Bank manages the net interest margin rather than the actual rates on lending and deposits. The deposit rates and lending rates are discussed and agreed during monthly ALCO meetings, depending on the liquidity situation of the Bank.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(iv) Interest rate risk (cont'd)

The table below summarises the Bank's non-trading book fair value exposure to interest rate risks. It includes the Group`s financial instruments at carrying value categorised by the earlier of contractual maturity and date of repricing.

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

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-interest bearing	Total
2019	**MUR'000**	**MUR' 000**	**MUR'000**	**MUR' 000**	**MUR'000**	**MUR'000**	**MUR' 000**
Assets							
Cash and cash equivalents	1,660,281	-	-	-	-	2,832,793	4,493,074
Investment securities	196,598	1,245,798	659,665	2,390,645	-	-	4,492,706
Loans and advances to customers	-	-	7,242,231	906,918	5,728,983	-	13,878,132
Loans and advances to banks	-	315,320	98,132	-	-	-	413,452
Other investments	-	-	-	-	-	14,493	14,493
Trade and other receivables	-	-	-	-	-	1,440,661	1,440,661
	1,856,879	1,561,118	8,000,028	3,297,563	5,728,983	4,287,947	24,732,518
Liabilities							
Deposits from customers	(14,976,022)	(768,884)	(604,911)	(391,337)	-	(3,337,161)	(20,078,315)
Borrowings	-	-	-	(212,751)	-	-	(212,751)
Trade and other payables	-	-	-	-	-	(2,429,636)	(2,429,636)
	(14,976,022)	(768,884)	(604,911)	(604,088)	-	(5,766,797)	(22,720,702)
Off-Balance Sheet items attracting interest rate sensitivity	339,585	249,967	610,056	2,600,938	176,009	265,183	4,241,738
Interest rate sensitivity gap	(12,779,558)	1,042,201	8,005,173	5,294,413	5,904,992	(1,213,667)	6,253,554

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(iv) Interest rate risk (cont'd)

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

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-Interest Bearing	Total
2019	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Assets							
Cash and cash equivalents	**99,443**	**-**	**-**	**-**	**-**	**-**	**99,443**
Other investments	**-**	**-**	**-**	**-**	**-**	**128,443**	**128,443**
Trade and other receivables	**-**	**-**	**-**	**-**	**-**	**176,918**	**176,918**
	99,443	**-**	**-**	**-**		**305,361**	**404,804**
Liabilities							
Borrowings	**(10,624)**	**(7,357)**	**(15,087)**	**(64,805)**	**(82,429)**	**-**	**(180,302)**
Trade and other payables	**-**	**-**	**-**	**-**	**-**	**(58,762)**	**(58,762)**
	(10,624)	**(7,357)**	**(15,087)**	**(64,805)**	**(82,429)**	**(58,762)**	**(239,064)**
Interest rate sensitivity gap	**88,819**	**(7,357)**	**(15,087)**	**(64,805)**	**(82,429)**	**246,599**	**165,740**

GROUP	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-Interest Bearing	Total
2018	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets							
Cash and cash equivalents	1,241,841	-	-	-	-	4,029,223	5,271,064
Investment securities	-	-	130,278	2,579,200	-	259,933	2,969,411
Loans and advances to customers	6,614,952	-	-	354,309	4,424,600	-	11,393,861
Loans and advances to banks	-	-	916,864	-	-	-	916,864
Other investments	-	-	-	-	-	111,244	111,244
Trade and other receivables	-	-	-	-	-	1,545,618	1,545,618
	7,856,793	-	1,047,142	2,933,509	4,424,600	5,946,018	22,208,062
Liabilities							
Deposits from customers	(3,863,433)	(248,061)	(992,314)	(1,125,742)	(5,328)	(12,720,581)	(18,955,459)
Borrowings	(261,708)	-	-	(211,337)	-	-	(473,045)
Trade and other payables	-	-	-	-	-	(1,917,807)	(1,917,807)
	(4,125,141)	(248,061)	(992,314)	(1,337,079)	(5,328)	(14,638,388)	(21,346,311)
Interest rate sensitivity gap	3,731,652	(248,061)	54,828	1,596,430	4,419,272	(8,692,370)	861,751

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(v) Currency risk

Non-banking specific segment

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

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

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

Forward contracts are used to mitigate foreign currency risks.

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

Class of Asset – Corporate	THE GROUP	
	2019	2018
	Profit or Loss MUR'M	Profit or Loss MUR'M
US Dollar	**(136)**	(9.2)
Euro	**(116)**	199.1
GBP	**5.9**	-
Ariary	**(16)**	-
ZAR	**21**	-
INR	**(6.8)**	-
UGX	**3.9**	-

CIEL Ltd, the Company, does not have significant exposure to foreign currencies. Therefore, no sensitivity analysis has been performed as the amount will be immaterial.

Banking specific segment

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Central Bank has set the limit to 20% of Available Tier 1 Capital and the bank has set an internal threshold of 13%. The accounting department provides this information to the Trading Floor for effective monitoring of the limit.

Furthermore, an internal report is issued on a daily basis, and a monthly report is sent to the Central Bank on a monthly basis.

Control mechanisms in place in case of a substantial change in the exchange rate are listed below:

- If there is a strong appreciation of the Ariary, the Bank takes a short position for up to 13%.

- In the event of a strong depreciation, the Bank may go long and up to 13%.

The Bank is primarily exposed to EURO and USD.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(v) Currency risk (Cont'd)

Banking specific segment (Cont'd)

The Banking segment financial assets and financial liabilities by foreign currency is detailed below:

	USD MUR'000	EURO MUR'000	Others MUR'000	Total MUR'000
At June 30, 2019				
Assets				
Banking specific segment				
Investments in other financial assets	**-**	**2,142**	**-**	2,142
Loans and advances	**228,570**	**672,768**	**14**	901,352
Trade and other receivables	**977,968**	**316,162**	**2,986**	1,297,116
Cash and cash equivalents	**852,330**	**922,414**	**2,718,231**	4,492,975
Total Assets	**2,058,868**	**1,913,486**	**2,721,231**	6,693,585
Liabilities				
Banking specific segment				
Trade and other payables	961,193	353,375	3,921	1,318,489
Deposits from customers	1,216,086	1,438,390	28,037	2,682,513
Borrowings	-	202,851	-	202,851
Total Liabilities	**2,177,279**	**1,994,616**	**31,958**	**4,203,853**
Net on balance sheet position	**(118,411)**	**(81,130)**	**2,689,273**	**2,489,732**

	USD MUR'000	EURO MUR'000	Others MUR'000	Total MUR'000
At June 30, 2018				
Assets				
Banking specific segment				
Investments in other financial assets	**-**	**232**	**-**	232
Loans and advances	**284,641**	**777,879**	**5**	1,062,525
Trade and other receivables	**752,139**	**293,419**	**-**	1,045,558
Cash and cash equivalents	**1,073,502**	**818,493**	**-**	1,891,995
	2,110,282	**1,890,023**	**5**	4,000,310
Liabilities				
Banking specific segment				
Trade and other payables	921,334	289,867	45	1,211,246
Deposits from customers	1,337,851	1,307,165	33,904	2,678,920
	2,259,185	1,597,032	33,949	3,890,166
Net on balance sheet position	(148,903)	292,991	(33,944)	110,144

All other assets and liabilities are denominated in Mauritian Rupees.

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

	THE GROUP		THE COMPANY	
	2019		2018	
	Profit or loss	**Equity**	Profit or loss	Equity
	MUR 'M	**MUR 'M**	MUR'000	MUR'000
US Dollar	**2.6**	**-**	(1.9)	4.7
Euro	**(796)**	**-**	4.9	-

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(vi) Liquidity risk

Non-banking specific segment

The Banking segment financial assets and financial liabilities by foreign currency is detailed below:

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group and the Company aim at maintaining flexibility in funding by keeping reliable credit lines available. The Directors monitor rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

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

	Less than 1 year	Between 1 and 2 years	Greater than 2 years	Total
THE Group	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
At 30 June				
Borrowings	6,198,090	5,219,713	8,114,800	19,532,603
Trade and other payables	6,435,702	-	-	6,435,702
Provision and other liabilities	40,519	82,897	47,523	170,939
	12,674,311	5,302,610	8,162,323	26,139,244

	Less than 1 year	Between 1 and 2 years	Greater than 2 years	Total
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
THE Company				
At 30 June				
Borrowings	455,481	300,000	1,964,093	2,719,574
Trade and other payables	35,155	-	-	35,155
	490,636	300,000	1,964,093	2,754,729

Banking specific segment

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as corporate payments(tax, dividends, etc). Such outflows would deplete available cash resources for client lending, trading activities and investments. The Group`s liquidity management process is carried out by the group Treasury team.

In extreme circumstances, lack of liquidity could potentially lead to the inability to fulfil regulatory requirement of the Obligatory Reserve ('OR'). This OR consists of maintaining a minimum monthly average balance (based on daily closing balances) in BNI's settlement account at the Central Bank of Madagascar. This threshold is determined for each current month as 13% of the last month total of individual and corporate customers' deposits in both MGA and foreign currency.

The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of commercial-specific events – like aggressive campaigns on deposits collection by the competition, or aggressive self-campaign of loan distribution – or market-wide events like cycles related to the agricultural sector (Vanilla, clover, etc.) or seasonality.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(v) Liquidity risk (Cont'd)

Banking specific segment (Cont'd)

Liquidity risk management process

The Bank's liquidity management process is carried out within the bank by the Finance department and governed by the monthly ALCO (Assets & Liabilities Committee) and quarterly ALM (Assets & Liabilities Management) committees.

Moreover, there is an operational daily process with a close-of-day report, issued by the dealing room, summarising the various updated indicators and proposing the next day actions and an updated view on the landing end-of-month situation. There is a daily calculation of the internal "availability ratio" which is the remaining amount of bills available for repo against the deposit base (same base used for OR calculation). The objective is to keep up with an availability ratio above 15% (vs the 13% of OR).

Points covered in the monthly meeting include but are not limited to the following:

- Review of market liquidity situation
- Evolution of the total balances above the total Obligatory Reserves
- Central Bank of Madagascar feedback and perspectives
- Central Bank of Madagascar feedback short-term and mid-term interventions (lending / borrowing) and issuances of treasury bills
- Review of treasury flows, commerce, loans and deposits projections and borrowings/placements decision funding approach

The available sources of funding for the bank consist of:

- Cash and balance with central bank; (to be noted that the full balance is available as long as the monthly average balance exceeds the monthly level of Obligatory Reserves)
- Balances of nostro accounts;
- Interbank borrowings (overnight); the 4 primary banks, including BNI, are the main actors in the market
- Government bonds that are fully liquid and readily acceptable in repurchase agreements with central bank on an overnight basis;
- Central Bank of Madagascar liquidity injection at its discretion to adjust the market liquidity in case of market shortfall due to macro-economic seasonality;

The liquidity management objective is to fulfill the minimum required balance at the Central Bank of Madagascar account at any point in time to comply with the OR but also to avoid unproductive excess of balance. In case of projected shortage, BNI uses interbank borrowing with preferential rates (depending on banks' liquidity situation) and government treasury bills. The utilisation of the funding sources is reported daily and reviewed in the ALCO.

The maturity gap report slots the inflows and outflows in different maturity buckets as defined by the Bank of Madagascar, according to the expected timing of cash flows.

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(v) Liquidity risk (Cont'd)

Banking specific segment (Cont'd)

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

BNI Madagascar SA Liquidity analysis

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

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	No- fixed maturity	Total
2019	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets							
Cash and cash equivalents	**4,493,074**	**-**	**-**	**-**	**-**	**-**	**4,493,074**
Investment securities	**196,598**	**1,245,798**	**6,531,334**	**23,669,753**	**-**	**-**	**31,643,483**
Loans and advances to customers	**6,819,555**	**-**	**-**	**357,615**	**5,439,720**	**-**	**12,616,890**
Loans and advances to banks	**-**	**413,362**	**-**	**-**	**-**	**-**	**413,362**
Other financial assets	**-**	**-**	**-**	**-**	**-**	**142,937**	**142,937**
Trade and other receivables	**170,078**	**-**	**-**	**-**	**-**	**-**	**170,078**
Export documentary remittances	**1,408,887**	**-**	**-**	**-**	**-**	**-**	**1,408,887**
	13,088,192	**1,659,160**	**6,531,334**	**24,027,368**	**5,439,720**	**142,937**	**50,888,711**
Liabilities							
Deposits from customers	18,157,078	759,443	589,068	589,068	560,286	-	20,654,943
Borrowings	-	-	-	212,751	-	-	212,751
Trade and other payables	893,802	-	-	-	-	-	893,802
	19,050,880	759,443	589,068	801,819	560,286	-	21,761,496
On balance sheet liquidity gap	(5,962,688)	899,717	5,942,266	23,225,549	4,879,434	142,937	29,127,215
Off balance sheet commitment	339,585	249,967	610,056	2,600,938	441,192	-	4,241,738
Net liquidity gap	(5,623,103)	1,149,684	6,552,322	23,826,487	5,320,626	142,937	33,368,953

(b) Fair value estimation

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

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

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

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

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

46. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk factors (Cont'd)

(c) Capital risk management

The Group's objective when managing capital are:

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

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

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

The gearing ratio, excluding banking deposits and cash and cash equivalents, as at June 30, 2019 is as follows:

	THE GROUP		THE COMPANY	
	2019	2018	**2019**	2018
	MUR'000	MUR'000	**MUR'000**	MUR'000
Total debt	**17,233,394**	16,589,238	**2,719,574**	2,309,465
Less Cash & cash equivalents	**(1,711,882)**	(1,091,000)	**(318,921)**	(1,784)
	15,521,512	15,498,238	**2,400,653**	2,307,681
Total equity	**22,131,137**	24,748,335	**11,659,640**	13,951,996
Net debt + equity	**37,652,649**	40,246,573	**14,060,293**	16,259,677
Gearing	**41.2%**	38.51%	**17.1%**	14.19%

Banking segment

The minimum required capital adequacy ratio in Madagascar is 8%. As at 30 June 2019 and 2018, the capital adequacy ratio of BNI MADAGASCAR was as follows:

		2019	2018
Capital base	**MUR' m**	**1,705**	1,600
Risk weighted	**MUR' m**	**15,665**	14,180
Capital adequacy ratio	**%**	**10.89**	11.28

47. EVENTS AFTER THE REPORTING PERIOD

(1) CIEL Group has entered into a share purchase agreement "The Agreement", with Fortis Healthcare International Limited "Fortis", to acquire 164,670,801 ordinary no par value shares held by Fortis in the C-Care (Mauritius) Limited "C-Care"(previously known as The Medical and Surgical Centre Limited ("MSCL")) at a consideration of MUR 2.39 per share, representing a shareholding of 28.89% ("the Transaction").

The Company has acquired 114,461,596 ordinary no par value shares of C-Care (previously known as MSCL) and CIEL Healthcare Limited 50,209,205 ordinary no par value shares of C-Care. Post transaction, the Company's shareholding in C-Care amounts to 20.08% and CIEL Healthcare's shareholding increased from 58.6% to 67.41%.

47. EVENTS AFTER THE REPORTING PERIOD (Cont'd)

(2) As controlling shareholder of CIEL Textile Limited ("CTL"), it has in accordance with section 117 of the Companies Act 2001, approved a Scheme of Arrangement pursuant to section 261 to 264 of the Companies Act 2001, which shall consist of:

- The compulsory purchase by CIEL of all the CTL ordinary shares still held by minority shareholders at a price of MUR. 44.00 per CTL ordinary share, the purchase consideration being made up of 50% cash and 50% in ordinary shares of CIEL, that is, MUR. 22.00 in cash and the difference being made up of the necessary number of CIEL Limited shares (issued out of the treasury shares and based on CIEL Limited share price of MUR. 6.60) for every CTL ordinary share;
- The cancellation of the admission of CTL from the Development & Enterprise Market ("DEM"); and
- The change in the registration of the Registrar of Companies of CTL from a public company to a private company.

48. FINANCIAL SUMMARY

	2019	2018
	MUR'000	MUR'000
THE GROUP		
(a) Statement of profit or loss and other comprehensive income		
REVENUE	**24,206,459**	22,608,499
Normalised earnings before interests, tax, depreciation and amortisation	**3,373,746**	2,914,127
Depreciation and amortisation	**(1,215,821)**	(1,165,936)
Normalised earnings before interests and tax	**2,157,925**	1,748,191
Impairment of goodwill and non-current assets	**(2,078,127)**	-
Finance income	**32,138**	26,614
Finance costs	**(812,721)**	(780,711)
Share of results of joint ventures	**161,215**	272,237
Share of results of associates	**(283,096)**	74,084
Increase in fair value of investment properties	**69,647**	38,495
Loss on sale of investment	**(1)**	-
(Loss)/Profit before taxation	**(753,020)**	1,378,910
Income tax	**(436,041)**	(288,574)
(Loss)/Profit for the year	**(1,189,061)**	1,090,336
(Loss)/Profit attributable to:		
Owners of the parent	**(860,428)**	441,817
Non-controlling interests	**(328,633)**	648,519
	(1,189,061)	1,090,336
(Loss)/earnings per share	**(0.52)**	0.27

48. FINANCIAL SUMMARY (CONT'D)

	2019	2018
	MUR'000	MUR'000
Total comprehensive income		
(Loss)/Profit after tax	**(1,189,061)**	1,090,336
Other comprehensive income for the year, net of tax	**(743,972)**	487,838
	(1,933,033)	1,578,174
Total comprehensive income		
Owners of the parent	**(1,398,751)**	756,201
Non-controlling interests	**(534,282)**	821,973
	(1,933,033)	1,578,174
(b) Statement of financial position		
ASSETS		
Non-current assets	**42,018,275**	44,541,689
Current assets	**26,953,169**	24,251,925
Non-current assets held for sale	**12,726**	91,062
Total assets	**68,984,170**	68,884,676
EQUITY AND LIABILITIES		
Capital and reserves	**12,935,181**	14,386,057
Non-controlling interests	**9,195,956**	10,362,278
Total equity	**22,131,137**	24,748,335
LIABILITIES		
Non-current liabilities	**14,703,267**	14,742,146
Current liabilities	**32,149,766**	29,394,195
	46,853,033	44,136,341
Total equity and liabilities	**68,984,170**	68,884,676

Directorships of Subsidiaries

Financial Year Ended 30 June 2019

	CIEL Limited	Ajax Sweaters Ltd	Ambre Resort Ltd	Anahita Hotel Ltd	Antsirabe Knitwear SA	Aquarelle Clothing Ltd	Aquarelle India (Private)Ltd	Aquarelle International Ltd	Aquarelle Madagascar SA	Azur Financial Services Ltd	BNI Madagascar SA	Bois des Amourettes Ltd	C-Care (Mauritius) Ltd	CDL Knits Ltd	CIEL Agro & Property Limited	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited (incorporated on 07/03/2019	Ciel Finance Limited	CIEL Healthcare Africa Limited	C Healthcare (EA) Ltd	CIEL Healthcare Ltd	CIEL Hotels & Resorts Ltd	CIEL Properties Ltd	Cieltex SA Pty Ltd	CIELTextile Ltd	City & Beach Hotels (Mtius) Ltd
ABITBOL Arnaud																										
ABITBOL Laurent																										
ACKERMAN André													✓													
ADAM Guy													R													
AGGARWAL Kapil																										
ALBIZZATI Juan Carlos																										
AMELOT Marc																										
ANDERSON David James			✓	✓																						✓
Aquarelle Madagascar SA					✓																					
AUFORT Aurélien																										
AUTAR Amal																										
BACHUN Bishwarnath																										
BADIDA Murali Krishna Nagesh							✓																			
BAGUANT Sheela																										
BHATIA Ashish													R													
BOCUS Sidick																										
BOSQUET Jean-Pierre																										
BOTHA Peter																					✓					
BRAUD Damien																					✓					
BROCCHETTO Dora																								✓		
CAUDE Alexis																										
CAUSY Navin Kumar								✓	✓																	
CHIDAINE Xavier																										
CHOOLUN Shamad																										
CIEL Textile Limited					✓																					
COQUARD Sébastien	✓																									
COURTENAY Anthony																										
COUVE DE MURVILLE Jérôme																										
DALAIS Guillaume	✓	✓			✓									✓												
DALAIS Jean-Pierre	✓		✓	✓		✓					✓	✓		✓	✓	✓		✓		✓	✓	✓			✓	✓
DALAIS Marc	✓															✓										
DALAIS P. Arnaud	✓					✓								✓	✓	✓						✓			✓	
DALAIS Thierry	✓																									
DANON Pierre	✓																	✓								
DARUTY Sebastien																										
DE CHASTEAUNEUF Jérôme	✓			✓		✓				✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓		✓	
DE SIMARD DE PITRAY Henri																									✓	
DELAPORTE Antoine																R									✓	
DEMEY Laurent																		*								
DORCHIES Eric						✓	✓	✓	✓									✓							✓	
Dr. Ian Clarke																										
DURR Elaine Mercia																										
ECHEVIN Hélène													✓						✓		✓		✓		✓	
EL GUEDDARI Adnane											✓															
ESPITALIER NOEL Roger	✓					✓	✓		✓					✓	✓										✓	
ESPITALIER-NOEL Alexandre																										
FONTANILLE Arnaud																										
GANGWAR Krishna Kant																										
GERMAIN Stephanie																										
GHOSE Sarbajit																										
GUIMBEAU M.A. Louis	✓														✓	✓										
HAREL Didier																										
HENRY Stéphane																										
HERBERT Mukoza																										
HIRIDJEE Hassanein Shahreza																										
HOAREAU Daniella																										
HOVENIER Robert																										
HUGNIN Thierry																					✓					
IP WAN SHEK Pit-Lan Kan Youne																										
JEENARAIN Rameswarsingh																										
JOELISOA Liliane											✓															
JULIE Bernardette Suzanne																										
KHUSHIRAM Khushhal Chand																										
KISSOONDARY Yougendranath																							✓			
KOCH Philippe																										

	Consolidated Fabrics Ltd	Corporate and Commercial Risk Management Services Ltd	CTL Retail Ltd	Ebene Skies Ltd	Falaise Rouge Estate Ltd (Incorporated on 13/08/2019)	Ferney Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Knitwear Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited	Fondation Ciel Nouveau Regard	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Indian Ocean Financial Holdings Ltd	Investment Professionals Ltd	IPRO Fund Management Ltd	IPRO Funds Ltd
ABITBOL Arnaud																										
ABITBOL Laurent																										
ACKERMAN André																		✓		✓	✓	✓				
ADAM Guy																										
AGGARWAL Kapil																										
ALBIZZATI Juan Carlos																								A		
AMELOT Marc															✓											
ANDERSON David James			✓												✓											
Aquarelle Madagascar SA																										
AUFORT Aurélien																										
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BACHUN Bishwarnath																										
BADIDA Murali Krishna Nagesh																										
BAGUANT Sheela														✓												
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BOSQUET Jean-Pierre																										
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BRAUD Damien																										
BROCCHETTO Dora																										
CAUDE Alexis																										
CAUSY Navin Kumar																										
CHIDAINE Xavier																								*		
CHOOLUN Shamad											✓															
CIEL Textile Limited																										
COQUARD Sébastien																										
COURTENAY Anthony		✓																								
COUVE DE MURVILLE Jérôme																										
DALAIS Guillaume							✓		✓	✓	✓	✓	✓													
DALAIS Jean-Pierre	✓		✓		✓	✓	✓			✓				✓			✓						✓			
DALAIS Marc																										
DALAIS P. Arnaud	✓					✓	✓			✓				✓												
DALAIS Thierry																										
DANON Pierre																										
DARUTY Sebastien				R																						
DE CHASTEAUNEUF Jérôme	*	✓		✓	✓	✓	✓			✓				✓									✓	✓		
DE SIMARD DE PITRAY Henri																										
DELAPORTE Antoine																										
DEMEY Laurent																										
DORCHIES Eric	✓																									
Dr. Ian Clarke																		✓	✓	✓	✓	✓				
DURR Elaine Mercia																										
ECHEVIN Hélène				✓	✓													✓	✓	✓	✓	✓				
EL GUEDDARI Adnane																							✓			
ESPITALIER NOEL Roger	✓					✓	✓			✓	✓			✓												
ESPITALIER-NOEL Alexandre																										
FONTANILLE Arnaud																										
GANGWAR Krishna Kant																										
GERMAIN Stephanie																										
GHOSE Sarbajit																										
GUIMBEAU M.A. Louis																										
HAREL Didier																										
HENRY Stéphane																								✓	✓	✓
HERBERT Mukoza																			✓							
HIRIDJEE Hassanein Shahreza																							✓			
HOAREAU Daniella																										
HOVENIER Robert																✓										
HUGNIN Thierry								✓																		
IP WAN SHEK Pit-Lan Kan Youne									✓		✓	✓														
JEENARAIN Rameswarsingh																										
JOELISOA Liliane																										
JULIE Bernardette Suzanne																										
KHUSHIRAM Khushhal Chand																								✓		✓
KISSOONDARY Yougendranath		✓																✓	✓	✓	✓	✓				
KOCH Philippe																									✓	✓

✓: In office R: Resigned A: Alternate resigned *: Alternate Director

Loisirs des Iles Ltd																																				✓																						✓							
Long Beach IHS Ltd																																				✓																						✓							
Long Beach Resort Ltd																																				✓																						✓							
Mauritius International Trust Company Ltd								*	✓																																														✓										
MITCO Advisory Ltd (winding up)																																																						✓	✓										
MITCO Corporate Services Ltd									✓																																														✓										
MITCO Cote D'Ivoire									✓																																																								
MITCO Fund Services Ltd (winding up)																																																						✓										
MITCO Group Ltd									✓																					✓													✓																						
MITCO International Holdings Ltd									✓																																														✓										
MITCO Limited																																																						✓	✓										
MITCO Services Ltd									✓																																														✓										
MITKEN Services Ltd									✓																																														✓										
Laguna Clothing (Mauritius) Ltd																✓										✓										✓																													
Laguna Clothing LLP (Formerly Laguna Clothing Private Ltd)																✓										✓																																							
Laguna Madagascar SA																										✓																		✓																					
La Vallee de Ferney Co Ltd		✓																					✓							R																																			
Le Café du Volcan Ltée																							✓																																										
Operational Excellence Management and Leadership Ltd																																																																	
Reinette Facilities Management Ltd		✓																					✓							✓																																			
Rising India Focus Fund Limited													✓																																																				
Riviere Champagne Ltd																														✓						✓																													
Rockwood Textiles Ltd																														✓				✓		✓																													
Société Bonneterie Malagasy - SOBOMA																																						✓																											
Societe Civile Immobilière des Mascareignes																																																																	
Société Textile d'Andraharo SA - TEXARO							✓														✓																																												
Solea Vacances SA																			✓	✓																✓																				✓		✓						✓	✓
SRL Property Ltd																																				✓																						✓							
SRL FS, Ltd																																																										✓							
SRL Kanuhura Ltd																																				✓																						✓							
SRL Maldives Ltd				✓						*							✓																			✓																						✓							
SRL Management Ltd										*																										✓																						✓							
SRL Marketing Ltd																																				✓													✓									✓							
SRL Touessrok Hotel Ltd																														✓						✓																						✓			✓				
SRL Touessrok Residences & Villas Ltd																																																										✓			✓				
Sun Centralised Services Ltd																																				✓																						✓							
Sun Hotel Holdings Ltd																																				✓																						✓							
Sun Hotel Investment Ltd																																				✓																						✓							
Sun Hotel & Resorts GMBH																																				✓																													
Sun International Hotel Holdings Ltd (Wound up on 09 July 2019)																																				✓																						✓							
Sun International Investment Ltd (Wound Up on 09 July 2019)																																				✓																						✓							
Sun International Management Ltd																																				✓																						✓							
Sun International Realty Development Ltd																																				✓																						✓							
Sun Limited														✓									✓							✓			✓	✓		✓									✓												✓							
Sun Leisure Hotels Ltd																																				✓																						✓							
Sun Leisure Investments Ltd																																				✓																						✓							
Sun Logistics Ltd																																				✓																						✓							
Sun Real Estates Ltd																																				✓																						✓							
Sun Resorts CSR Fund Ltd																																				✓																						✓							
Sun Resorts France Sarl																																																																	
Sun Resorts Hotel Management Ltd																																				✓																						✓							
Sun Resorts International Ltd																																				✓																						✓							
Sun Resorts (Seychelles) Ltd																																				✓																						✓							
Sun Styled Boutiques Ltd																																				✓																						✓							
Sun Supoort Ltd																																				✓																						✓							
Sun Training Institute Ltd																																				✓																						✓							
Supply Chain Experts Ltd																																				✓																						✓							
TBLIMG Ltd																																				✓																													
Tinka International Ltd																										✓																																							
TKL International Ltd																																					✓	✓																											
TKL Knits (India) Private Limited																		✓																			✓																												
Tropic Knits Ltd																					✓									✓				✓		✓	✓	✓																											
Tropic Mad SA																					✓																	✓											✓																
Washright Services Ltd																																				✓																						✓							
Wolmar Sun Hotels Ltd																																				✓																						✓							
World Leisure Holidays (Pty) Ltd						✓																		✓												✓																						✓							

Directorships of Subsidiaries (cont'd)

Financial Year Ended 30 June 2019

	CIEL Limited	Ajax Sweaters Ltd	Ambre Resort Ltd	Anahita Hotel Ltd	Antsirabe Knitwear SA	Aquarelle Clothing Ltd	Aquarelle India (Private)Ltd	Aquarelle International Ltd	Aquarelle Madagascar SA	Azur Financial Services Ltd	BNI Madagascar SA	Bois des Amourettes Ltd	C-Care (Mauritius) Ltd	CDL Knits Ltd	CIEL Agro & Property Limited	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited (incorporated on 07/03/2019	Ciel Finance Limited	CIEL Healthcare Africa Limited	C Healthcare (EA) Ltd	CIEL Healthcare Ltd	CIEL Hotels & Resorts Ltd	CIEL Properties Ltd	Cieltex SA Pty Ltd	CIELTextile Ltd	City & Beach Hotels (Mtius) Ltd	Consolidated Fabrics Ltd	Corporate and Commercial Risk Management Services Ltd	CTL Retail Ltd	Ebene Skies Ltd	Falaise Rouge Estate Ltd (Incorporated on 13/08/2019)	Ferney Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Knitwear Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited	Fondation Ciel Nouveau Regard	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Indian Ocean Financial Holdings Ltd	Investment Professionals Ltd	IPRO Fund Management Ltd	IPRO Funds Ltd
KOUASSI-OLSSON Laureen																		✓																																		
KUMAR Rajesh																																																				
LADREIT DE LACHARRIERE Marc	✓																																																			
LAGESSE Thierry																																✓																				
LECLEZIO Arnaud																																																			
LEECH Paul Ernest																		✓																																		
LI KWONG WING Kate																																																			
LONBORG-NIELSEN Annabelle																																																			
MAKOOND Raj													✓																																							
MANANTENANSOA Micheline											✓																																									
MAYER Harold	✓					✓								✓											✓		✓						✓			✓				✓												
MAYER J.R Michel														✓																																						
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PAVEY GEORGE																		✓																																		
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PERRIER Charles		✓																																	✓		✓	✓	✓													
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PURI Rajiv													R																																							
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RASERIJAONA José Pierre Yvon																																																	✓			
RAVELOARIVONY Vonifanja									✓																												✓															
RAZE Mathieu																																																			
REY Alain																									✓																											
RICHÉ Olivier																																																			
RIVALLAND Bertrand		✓						✓	✓	✓														✓											✓		✓	✓														
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RUNGHEN Satuda										✓																																										
Sathisha							✓																																													
SAUZIER Christine													✓		✓					✓	✓							✓				✓		✓									✓							✓		✓
SAVOYE Jean-Louis	✓																																																			
SCHMITT Olivier																																																			
SHIH Kristin Chienlun																					✓																															
SHIW MAHARAJ Lockmanya								✓																																												
SIVARAMEN Samila										✓							✓																																	*		*
SOLOMON Brent																	✓																																			
SUNDARAM Ramasubramanian														✓																																						
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THEVENAU Bertrand														✓																																						
THIEBLIN Xavier	✓																																																			
THOMAS Michel													✓																																							
TOUPAS Jacques	*																																																			
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VAQUIER Pierre																																																			
VEERASAMY Naderasen																																																			
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VIVES Marc-Emmanuel											✓						✓	✓																															✓	✓	✓	✓
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WONG YUN SHING Tommy			✓	✓						✓																✓			✓												✓											
YEE SAK CHAN Jane																																																			
YEUNG KAN CHING Eddy						✓								✓											✓		✓						✓			✓				✓												

✓: In office R: Resigned A: Alternate resigned *: Alternate Director

Loisirs des Iles Ltd	Long Beach IHS Ltd	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Advisory Ltd (winding up)	MITCO Corporate Services Ltd	MITCO Cote D'Ivoire	MITCO Fund Services Ltd (winding up)	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	MITKEN Services Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP (Formerly Laguna Clothing Private Ltd)	Laguna Madagascar SA	La Vallee de Ferney Co Ltd	Le Café du Volcan Ltée	Operational Excellence Management and Leadership Ltd	Reinette Facilities Management Ltd	Rising India Focus Fund Limited	Riviere Champagne Ltd	Rockwood Textiles Ltd	Société Bonneterie Malagasy - SOBOMA	Societe Civile Immobilière des Mascareignes	Société Textile d'Andraharo SA - TEXARO	Solea Vacances SA	SRL Property Ltd	SRL FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd	SRL Management Ltd	SRL Marketing Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Centralised Services Ltd	Sun Hotel Holdings Ltd	Sun Hotel Investment Ltd	Sun Hotel & Resorts GMBH	Sun International Hotel Holdings Ltd (Wound up on 09 July 2019)	Sun International Investment Ltd (Wound Up on 09 July 2019)	Sun International Management Ltd	Sun International Realty Development Ltd	Sun Limited	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Logistics Ltd	Sun Real Estates Ltd	Sun Resorts CSR Fund Ltd	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Resorts (Seychelles) Ltd	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	Tinka International Ltd	TKL International Ltd	TKL Knits (India) Private Limited	Tropic Knits Ltd	Tropic Mad SA	Washright Services Ltd	Wolmar Sun Hotels Ltd	World Leisure Holidays (Pty) Ltd
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Corporate Information

COMPANY SECRETARY

CIEL Corporate Services Ltd
5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Republic of Mauritius
Tel: +230 404 2200
Fax: + 230 404 2201

REGISTRAR & TRANSFER OFFICE

If you are a shareholder and have queries regarding your account, wish to change your name and address, or have questions about lost certificates, share transfers or dividends, please contact our Registrar & Transfer Office:

MCB Registry & Securities Ltd
Ground Floor, Raymond Lamusse Building
9-11, Sir William Newton Street, Port Louis
Republic of Mauritius
Tel: +230 202 5397
Fax: +230 208 1167

REGISTERED OFFICE

5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Republic of Mauritius
Tel: +230 404 2200
Fax: +230 404 2201

MAIN BANKERS

The Mauritius Commercial Bank Ltd
Bank One Limited

WEBSITE

www.cielgroup.com

BUSINESS REGISTRATION NUMBER

C06000717

EXTERNAL AUDITOR

PricewaterhouseCoopers Ltd
18 Cybercity, Ebène, Réduit 72201
Republic of Mauritius

INTERNAL AUDITOR

Ernst & Young
9th Floor, NeXTeracom Tower I,
Cybercity Ebène
Republic of Mauritius

LEGAL ADVISERS

Me. Thierry Koenig SA – ENSafrica (Mauritius)
Me. Maxime Sauzier SC– ENSafrica (Mauritius)

NOTARY

Etude Montocchio – d'Hotman

Notice of Annual Meeting
to the shareholders of CIEL Limited

Notice is hereby given that the Annual Meeting of the Shareholders ("the Meeting") of CIEL Limited ("the Company") will be held on 20 December 2019 at 13:30 hours at the Registered Office of the Company, 5th Floor, Ebène Skies, rue de l'Institut, Ebène, to transact the following business in the manner required for passing ordinary resolutions :

AS ORDINARY BUSINESS

1. To receive, consider and approve the Group's and Company's audited Financial Statements for the financial year ended 30 June 2019, including the Annual Report and the Auditor's Report, in accordance with section 115(4) of the Companies Act 2001.

2. To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.

3. To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Xavier Thiéblin to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.

4. To appoint, as Director of the Company to hold office until the next Annual Meeting of the Shareholders of the Company, Mr. Guillaume Dalais, who has been nominated by the Board of Directors on 28 June 2019.

5-16. To re-elect, as Directors of the Company to hold office until the next Annual Meeting of the Shareholders of the Company, the following persons who offer themselves for re-election (as separate resolutions):

    5. Mr. P. Arnaud Dalais
    6. Mr. Sébastien Coquard
    7. Mr. Jean-Pierre Dalais
    8. Mr. Marc Dalais
    9. Mr. R. Thierry Dalais
    10. Mr. Pierre Danon
    11. Mr. L. J. Jérôme De Chasteauneuf
    12. Mr. Roger Espitalier Noël
    13. Mr. M. A Louis Guimbeau
    14. Mr. J. Harold Mayer
    15. Mrs. Catherine McIlraith
    16. Mr. Jean-Louis Savoye

17. To take note of the automatic re-appointment of PricewaterhouseCoopers Ltd as auditor of the Company for the financial year ending 30 June 2020, in accordance with section 200 of the Companies Act 2001 and to authorise the Board of Directors of the Company to fix their remuneration.

18. To ratify the remuneration paid to the auditor for the financial year ended 30 June 2019.

AS SPECIAL BUSINESS

19. Multi-Currency Note Programme

"IT IS HEREBY RESOLVED THAT, the Multi-Currency Note Programme (the "Programme") of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 and last amended on 31 May 2019 (the "Programme Memorandum"), as and when further amended and approved by the Board of Directors of the Company ("the Board"), be ratified.

IT IS FURTHER RESOLVED THAT, in relation to the Programme, the Board, be and is authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes ("Notes"), on the terms and conditions set out in the Programme Memorandum and the applicable pricing supplements ("Programme Documentation"), at such time and on such terms as to pricing and security as the Board finds appropriate, based on the then market conditions.

IT IS FURTHER RESOLVED THAT the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme."

By Order of the Board

....
Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Ltd
Group Company Secretary

25 October 2019

Notes:

(a) The salient features of the Programme Memorandum are set out in the Annex to the Notice of Annual Meeting.

(b) A shareholder of the Company entitled to attend and vote at the Meeting may appoint a proxy, whether a member or not, to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

(c) Proxy Forms should be deposited at the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, Ground Floor, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, not less than 24 hours before the Meeting, and in default, the instrument of proxy shall not be treated as valid.

(d) Postal votes should reach the Company's Share Registry & Transfer Office, Ground Floor, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, not less than 48 hours before the Meeting, and in default, the postal vote shall not be treated as valid.

(e) A proxy form and postal vote are included in this Annual Report and are also available at the Registered Office of the Company.

(f) For the purpose of this Meeting, the shareholders who are entitled to receive notice and attend such Meeting shall be those shareholders whose names are registered in the share register of the Company as at 20 November 2019.

(g) The minutes of the Annual Meeting of the Shareholders held on 18 December 2018 are available for consultation by the shareholders of the Company during normal trading office hours, at the Registered Office of the Company.

(h) The profiles and categories of Directors proposed for appointment and re-election are set out under the corporate governance section of this Report.

Annex to the Notice of Annual Meeting

This Annex is provided to shareholders pursuant to the Securities (Preferential Offer) Rules 2017 issued by the Financial Services commission. The information set out herein provides a summary of the Programme.

Before the Company issues any tranche of Notes ("Tranche of Notes"), the Issuer will complete and sign the applicable pricing supplement, based on the pro forma applicable pricing supplement included in the Programme Memorandum, setting out details of such Notes. The Programme Documentation will be available for inspection at the Registered Office of the Company.

Objectives of the Programme	Within the Programme, the Company will have the possibility, if the need arises, to fund its future growth strategy and optimise its debt funding costs and sources, by issuing tranches or series of Notes.
Total number of notes to be issued	The Issuer may, at any time and from time to time, issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the programme amount of MUR 4,000,000,000.
Price at which or the price band within which the issue of notes is proposed	The issue price will be determined by the Company, based on the profile of the targeted investors. In any event, the Company will set a minimum subscription amount which will be in accordance with applicable Mauritian laws.
The class or classes of persons to whom the issue of notes is proposed to be made	The Notes will be offered either by way of a private placement or to the general public, in compliance with the applicable laws. When the Notes are offered by way of private placement, the Notes will be issued to investors, investing a minimum of MUR 1M (or its equivalent in other currencies as may be applicable) for their own account.
The proposed time within which the issue will be completed	Each offer of Notes will be subject to a timetable, with an offer start date and an offer end date ("Offer Period"). The Offer Period will in no event be more than 12 months from the date of the shareholders' approval.

Other considerations :

a) The Notes will not confer the holders thereof any rights whatsoever to the share capital of the Company. In this respect, there will be no change in control in the Company subsequent to the issue of Notes. Furthermore, the shareholding pattern, prior to and after the issue of Notes, will remain unchanged.

b) The Notes have not been allotted to any person as at date.

c) The Notes will not be allotted for consideration other than cash.

Proxy Form – CIEL Limited

I/We, ...

of ....

being shareholder(s) of CIEL Limited (the "Company") do hereby appoint ....

of ....

or failing him/her, ...

of ....

or failing him/her, the Chairman of the meeting, as my/our proxy to represent me/us and vote for me/us and act on my/our behalf at the Annual Meeting of the Shareholders of the Company to be held on 20 December 2019 at 13.30 hours at the Company's Registered Office, 5th Floor, Ebène Skies, rue de l'Institut, Ebène and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (Please vote with a tick):

As Ordinary Business		**For**	**Against**	**Abstain**
1.	To receive, consider and approve the Group's and Company's audited Financial Statements for the financial year ended 30 June 2019, including the Annual Report and the Auditor's Report, in accordance with section 115(4) of the Companies Act 2001.			
2.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
3.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Xavier Thiéblin to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
4.	To appoint, as Director of the Company to hold office until the next Annual Meeting of the Shareholders of the Company, Mr. P. A. Guillaume Dalais, who has been nominated by the Board of Directors on 28 June 2019.			
5-16.	To re-elect, as Directors of the Company to hold office until the next Annual Meeting of the Shareholders of the Company, the following persons who offer themselves for re-election (as separate resolutions):			
	5. Mr. P. Arnaud Dalais			
	6. Mr. Sébastien Coquard			
	7. Mr. Jean-Pierre Dalais			
	8. Mr. Marc Dalais			
	9. Mr. R. Thierry Dalais			
	10. Mr. Pierre Danon			
	11. Mr. L. J. Jérôme De Chasteauneuf			
	12. Mr. Roger Espitalier Noël			
	13. Mr. M. A Louis Guimbeau			
	14. Mr. J. Harold Mayer			
	15. Mrs. Catherine McIlraith			
	16. Mr. Jean-Louis Savoye			
17.	To take note of the automatic re-appointment of PricewaterhouseCoopers Ltd as auditor of the Company for the financial year ending 30 June 2020, in accordance with section 200 of the Companies Act 2001 and to authorise the Board of Directors of the Company to fix their remuneration.			
18.	To ratify the remuneration paid to the auditor for the financial year ended 30 June 2019.			

As Special Business		For	Against	Abstain
19.	Multi-Currency Note Programme **“IT IS HEREBY RESOLVED THAT,** the Multi-Currency Note Programme (the “Programme”) of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 and last amended on 31 May 2019 (the “Programme Memorandum”), as and when further amended and approved by the Board of Directors of the Company (“the Board”), be ratified. **IT IS FURTHER RESOLVED THAT**, in relation to the Programme, the Board, be and is authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes (“Notes”), on the terms and conditions set out in the Programme Memorandum and the applicable pricing supplements (“Programme Documentation”), at such time and on such terms as to pricing and security as the Board finds appropriate, based on the then market conditions. **IT IS FURTHER RESOLVED THAT** the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme.”			

Signed this .... day of .... 2019.

Signature (s) ....

Notes:

a) A shareholder of the Company entitled to attend and vote at the meeting may appoint a proxy, whether a member or not, to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
b) If the instrument appointing the proxy is returned without an indication as to how the proxy shall vote on any resolution, the proxy shall exercise his/her discretion as to whether, and if so, how he/she votes.
c) The duly signed proxy form shall be deposited at the Company’s Share Registry & Transfer Office, MCB Registry & Securities Limited, Ground Floor, Raymond Lamusse Building, 9-11 Sir William Newton Street, Port Louis, not less than 24 hours before the meeting, and in default, the instrument of proxy shall not be treated as valid.

Postal Vote – CIEL Limited

I/We, ...

of ....

being shareholder/s of CIEL Limited (“the Company”), do hereby cast my/our vote by post, by virtue of clause 20.10 of the Constitution of the Company, for the Annual Meeting of the Shareholders of the Company to be held on 20 December 2019 at 13.30 hours at the Company’s Registered Office, 5th Floor, Ebène Skies, rue de l’Institut, Ebène and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (Please vote with a tick):

As Ordinary Business		For	Against	Abstain
1.	To receive, consider and approve the Group’s and Company’s audited Financial Statements for the financial year ended 30 June 2019, including the Annual Report and the Auditors’ Report, in accordance with section 115(4) of the Companies Act 2001.			
2.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
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5-16.	To re-elect, as Directors of the Company to hold office until the next Annual Meeting of the Shareholders of the Company, the following persons who offer themselves for re-election (as separate resolutions):			
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	6. Mr. Sébastien Coquard			
	7. Mr. Jean-Pierre Dalais			
	8. Mr. Marc Dalais			
	9. Mr. R. Thierry Dalais			
	10. Mr. Pierre Danon			
	11. Mr. L. J. Jérôme De Chasteauneuf			
	12. Mr. Roger Espitalier Noël			
	13. Mr. M. A Louis Guimbeau			
	14. Mr. J. Harold Mayer			
	15. Mrs. Catherine McIlraith			
	16. Mr. Jean-Louis Savoye			
17.	To take note of the automatic re-appointment of PricewaterhouseCoopers Ltd as auditor of the Company for the financial year ending 30 June 2020, in accordance with section 200 of the Companies Act 2001 and to authorise the Board of Directors of the Company to fix their remuneration.			
18.	To ratify the remuneration paid to the auditor for the financial year ended 30 June 2019.			

As Special Business		For	Against	Abstain
19.	Multi-Currency Note Programme **"IT IS HEREBY RESOLVED THAT,** the Multi-Currency Note Programme (the "Programme") of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 and last amended on 31 May 2019 (the "Programme Memorandum"), as and when further amended and approved by the Board of Directors of the Company ("the Board"), be ratified. **IT IS FURTHER RESOLVED THAT,** in relation to the Programme, the Board, be and is authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes ("Notes"), on the terms and conditions set out in the Programme Memorandum and the applicable pricing supplements ("Programme Documentation"), at such time and on such terms as to pricing and security as the Board finds appropriate, based on the then market conditions. **IT IS FURTHER RESOLVED THAT** the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme."			

Signed this .... day of .... 2019.

Signature (s) ....

Note:

The signed postal vote shall reach the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, Ground Floor, 9-11 Raymond Lamusse Building, not less than 48 hours before the meeting, and in default, the postal vote shall not be treated as valid.

Application Form for E-Communication

Should you wish to receive by e-mail, future notice of shareholders' meetings, annual reports, accounts, credit advices and other shareholder documents made available to you in your capacity as shareholder of CIEL Limited ("CIEL"), kindly fill in that section and return to:

CIEL Limited
C/o MCB Registry & Securities Ltd
Ground Floor, Raymond Lamusse Building
9-11, Sir William Newton Street
Port Louis, Mauritius

Dear Sir/Madam,

Re: Authorisation to receive electronic communications

I/We,...

Name of shareholder (primary shareholder in case of joint holding)

National Identity Card Number/Passport (for individuals)

Number Business Registration Number (for corporate bodies)

agree to receive by e-mail, notice of shareholders' meetings, annual reports, accounts, credit advices and other shareholder documents made available to me/us in my/our capacity as shareholder of CIEL and also agree to receive notification that documents such as annual reports and circulars have been posted on CIEL's website for consultation. I/We also agree to abide to the Terms and Conditions defined below.

Email address

Yours faithfully,

Name of signatory .... Signature/s..

Contact number: .... Date:...

Terms and Conditions:

- Upon approval of my/our request, issuance of paper notice of meetings, annual reports, accounts, credit advices and other shareholder documents shall be discontinued. However, in particular circumstances, I/we understand that CIEL reserves the right to send documents or other information to the shareholders in hard copy rather than by e-mail.
- CIEL cannot be held responsible for any failure in transmission beyond its control any more than it can for postal failures.
- My/our instruction will also apply to any shares that I/we may hold jointly.
- In case of joint holders, the person named first in the share register will be eligible to fill in and sign this document.
- In case of companies, the person/s authorised will be eligible to fill in and sign this document, and, as a corporate shareholder, we shall ensure that the e-mail address provided shall easily be read by/accessible to employees responsible for our shareholding in CIEL and that any de-activation of the said e-mail address will be notified promptly to CIEL, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building, Sir William Newton Street, Port Louis, Mauritius.
- I/We shall be responsible for updating the designated e-mail address details, as and when necessary, to CIEL, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building,, Sir William Newton Street, Port Louis, Mauritius.
- I/We further undertake to hold CIEL and/or its agents harmless in the execution of my/our present instructions and not to enter any action against the aforesaid parties and hereby irrevocably renounce to any rights I/We might have accordingly.
- The present authorisation shall remain valid until written revocation by me/us is sent to CIEL, C/o MCB Registry & Securities Ltd, Ground Floor, Raymond Lamusse Building, Sir William Newton Street, Port Louis, Mauritius.
- This instruction supersedes any previous instruction given to CIEL regarding the despatch of the documents mentioned above.

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