INTEGRATED REPORT
2021
Ciel
EXPLORE.
ADAPT.
INNOVATE.

Dear Shareholder,

The board of directors ("the Board") of CIEL Limited ("CIEL or the Group") is pleased to present its integrated report for the financial year ended 30 June 2021.

The annual meeting of the shareholders ("the Meeting") will be held on 20 December 2021 at 14:00 hours at 5th Floor, Ebène Skies, Rue de l'Institut, Ebène.

Sanitary Measures:
For those shareholders who wish to attend the meeting in person, please be reminded that strict sanitary measures will be applicable with the wearing of masks being compulsory at all times. One-meter social distancing shall be maintained and temperature screening will be done at the reception before accessing the lift/the building in an effort to keep all our guests safe.

We thank you in advance for your collaboration.

Sincerely,

P. ARNAUD DALAIS
CHAIRMAN

JEAN-PIERRE DALAIS
GROUP CHIEF EXECUTIVE

About this Report

2021 was certainly another year of uncertainty, influenced by the ongoing COVID-19 pandemic, but it was also a year of insights and a chance to thoughtfully respond to the shock of early 2020. The global crisis did not stop the Group from looking to the future and continuing to work on the quality and resilience of our portfolio. We have recalibrated the way we do things to easily EXPLORE. ADAPT. INNOVATE. in our ever-changing and dynamic environment. You will find a story of agility and strength in this report and a positive outlook for the short to medium-term rebound of CIEL Limited ("CIEL").

A Note on the 'Digital First' Report

As a symbol of our commitment to sustainable measures in relation to reducing CIEL's carbon footprint, we are embarking on a movement to refrain from printing as far as possible and invite you, our shareholder, to join us in our commitment to preserve our natural resources for future generations.

If you have not yet opted for the digital format, we encourage you to fill in the 'Application for E-communications' form which is included in this report and thank you in advance for this choice. It will allow you 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.

In the meantime, if you are a non-digital shareholder, you will receive a printed copy of CIEL's statutory annual report but may also view our enhanced digital report.

Integrated Reporting Principles

This report has been developed following the guidelines of the Value Reporting Foundation. It does not cover all our operations in detail but rather provides key information regarding the financial and non-financial outcomes of the business that are derived from the six capitals laid out in the Integrated Reporting <IR> Framework. We have disclosed information that is material to the sustainability of the business and could influence financial decisions made by our stakeholders. We want you to understand how, through effective management, strategic direction, and innovation, we create value for all our stakeholders over the short, medium, and long term.

Reporting Scope and Process

This report covers the financial year ended 30 June 2021 in terms of performance. We have included only what we believe is material, regarding risks, issues, and opportunities that have or can have a significant positive or negative impact on the operations, profitability or brand equity of the Group.

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.

Table of Contents

Who We Are

Insight from our Leaders

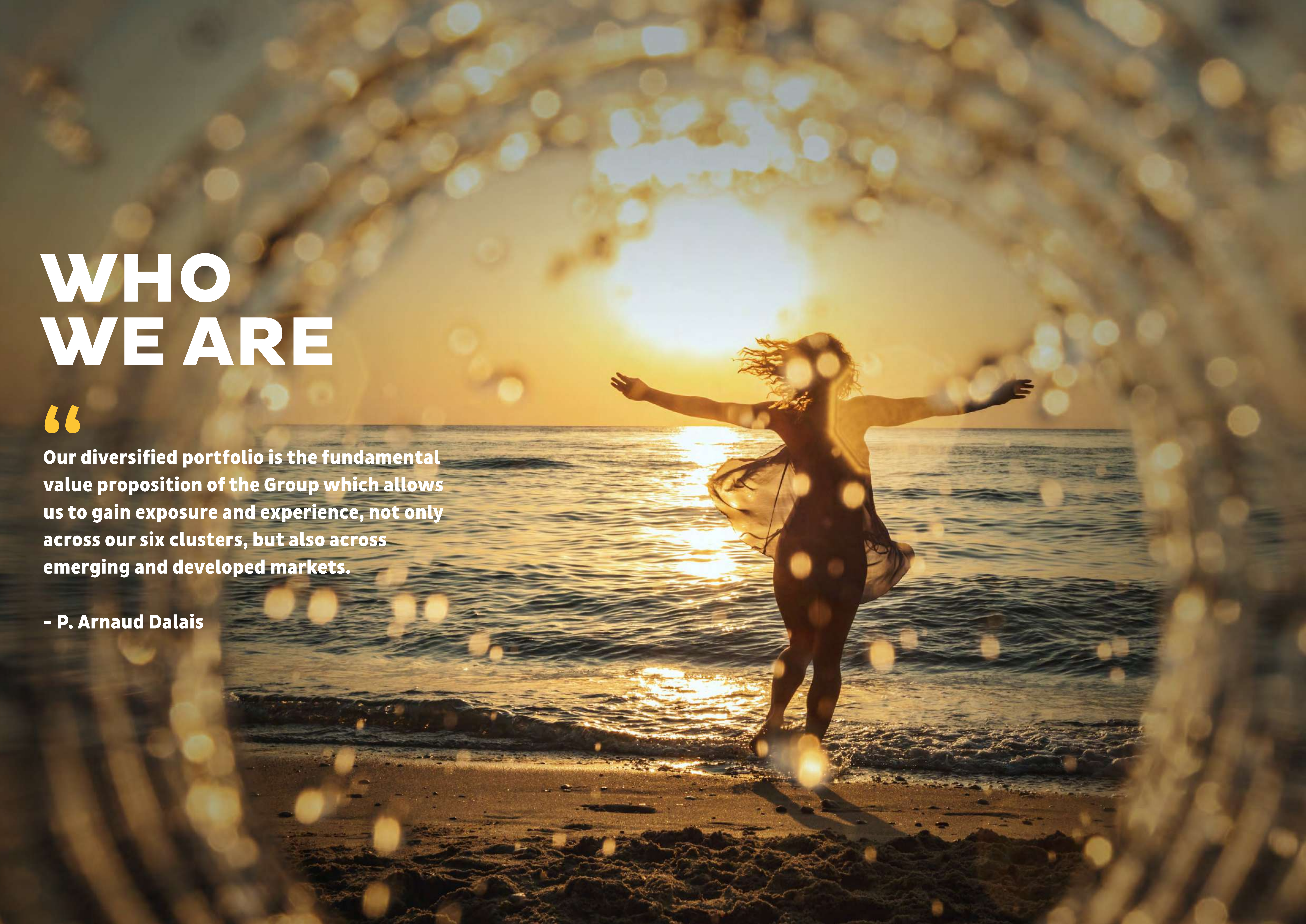
Our Value Creation Story

Performance

Our ESG Focus

Our Approach to Risk Management

Our Financial Statements



WHO WE ARE

"

Our diversified portfolio is the fundamental value proposition of the Group which allows us to gain exposure and experience, not only across our six clusters, but also across emerging and developed markets.

– P. Arnaud Dalais

CIEL at a Glance

6
Sectors

10
Countries

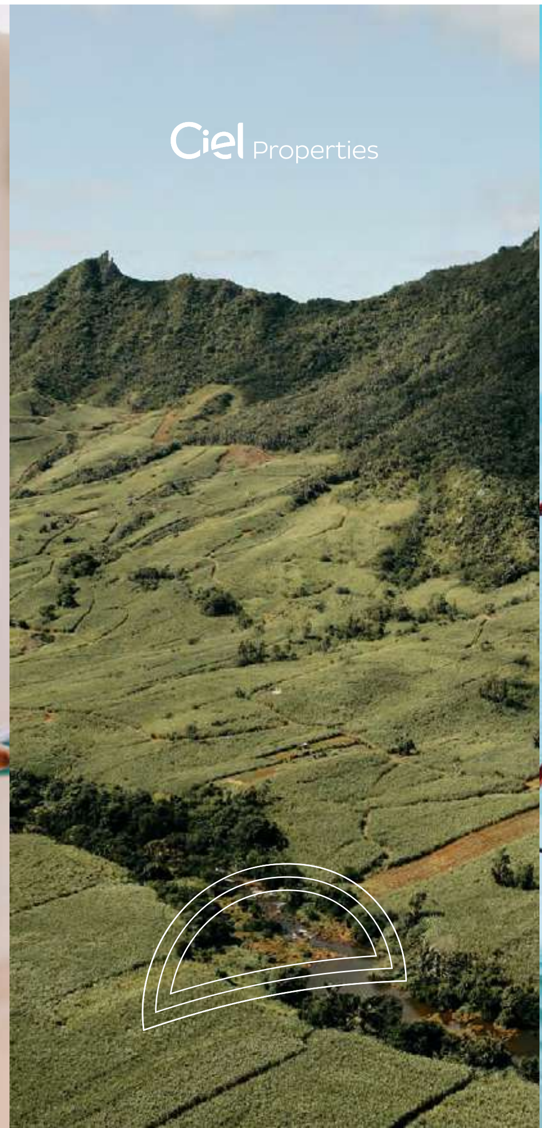
+30
Brands

MUR **8.6** BN
Market Cap
As at 30 June 2021

109
Year History

Headquartered in Mauritius

31,308
Employees



CIEL at a Glance

Key Figures

As at 30 June 2021

MUR 17.9 BN
Group Consolidated Revenue
MUR 21.0bn - 30 June 2020[2]

MUR 617 M
Profit Attributable to Owners of the Parent
(MUR 1.7bn) - 30 June 2020[2]

MUR 2.7 BN
EBITDA[1]
MUR 3.0bn - 30 June 2020[2]

MUR 8.85
Group NAV per Share
MUR 6.69 - 30 June 2020[2]

MUR 446 M
Group Profit after Tax
(MUR 2.2bn) - 30 June 2020[2]

MUR 84 BN
Total Assets
MUR 77bn - 30 June 2020

[1]Earnings Before Interest, Taxation, Depreciation, Amortisation, Impairment, Reorganisation Costs, and Fair Value gain on investment property

[2]30 June 2020 numbers are restated

Please see our Annual Financial Statements for more detailed information.

Committed to Long-Term Sustainable Development

OUR PURPOSE

FOR A WORLD WE CAN ALL FEEL PROUD OF

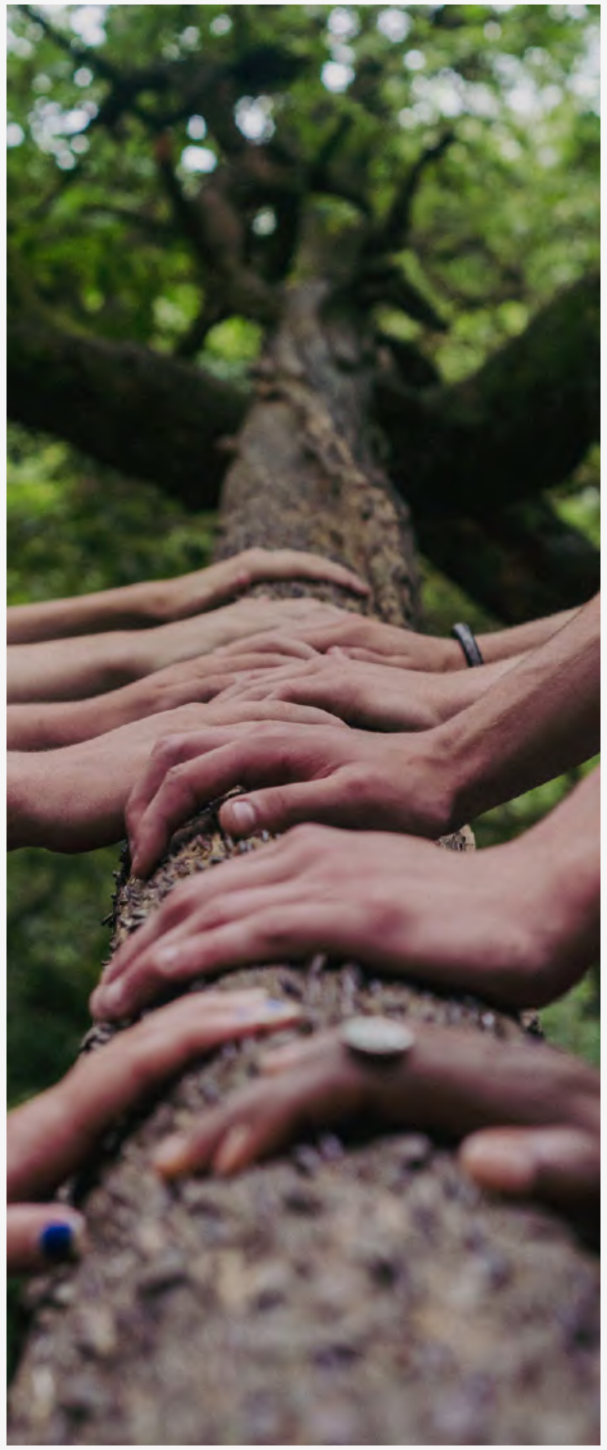
OUR VALUES

PEOPLE AT HEART

EXCELLENCE AT CORE

ETHICAL & SUSTAINABLE

MUR 100 M
Invested in social projects through CIEL Foundation since 2005



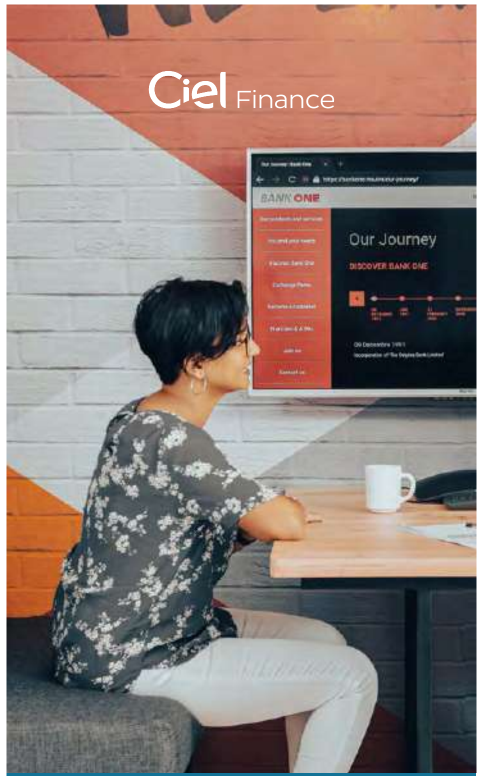
Group Structure

CIEL Textile Limited

Woven
- Aquarelle
- CFL[1]
- Laguna

Knits
- CDL
- Tropic

Knitwear
- Floreal
- FSM



CIEL Finance Limited

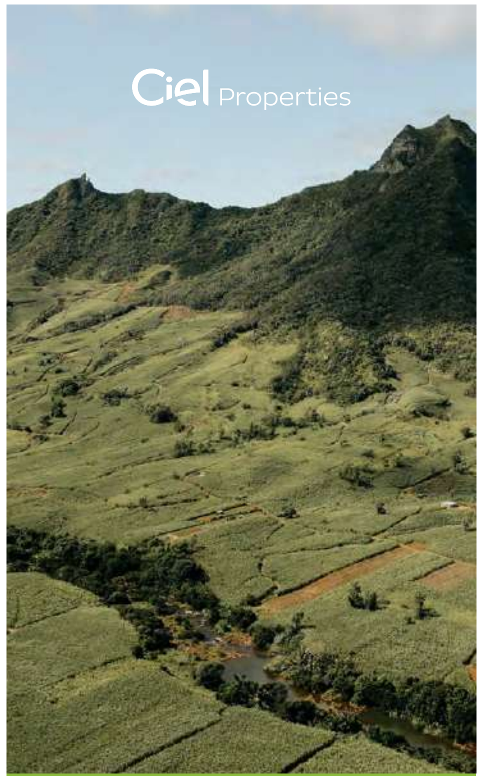
- Bank One
- BNI MADAGASCAR
- CIEL Finance Data Services
- IPRO
- KIBO Capital Partners
- LCF Securities
- MITCO

CIEL Corporate Services Ltd

- Azur Financial Services
- EM Insurance Brokers

CIEL Healthcare Limited

- C-Care
  - Darné
  - Wellkin Hospital
  - C-Care Clinic
  - C-Lab
- IMG[2]
- Hygiea[3]



CIEL Properties Limited

- Ebène Skies
- Ferney

CIEL Hotels & Resorts Limited

- SUN Resorts
  - SUN managed
    - Ambre
    - La Pirogue
    - Long Beach
    - Sugar Beach
  - Tour Operators
    - Solea
    - World Leisure Holiday
  - Branded
    - Four Seasons Mauritius at Anahita
    - Shangri-La's Le Touessrok Resort & Spa
- Anahita Residences & Villas

Alteo Limited

- TPC – Tanzania
- Transmara – Kenya

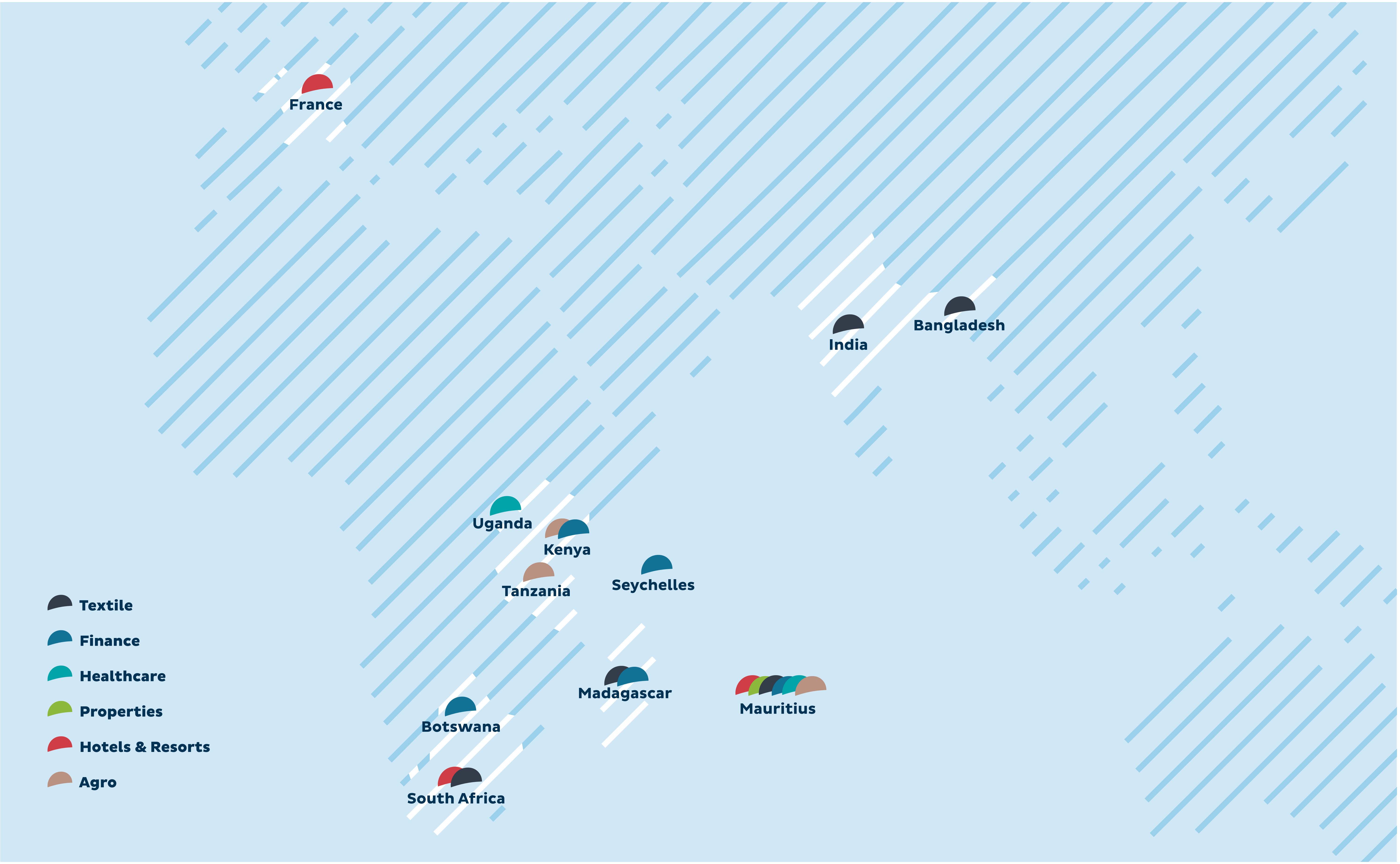
Anahita the Resort

Anahita Golf & Spa Resort

[1]Discontinued as part of strategic partnership with SOCOTA
[2]Exit from Health Membership Organisation (HMO) business
[3]Exit from hospital business (post financial year end)

Find out more – Full Group Structure

A Strategic Presence in Emerging Markets



A Unique Portfolio of Brands

Ciel Textile

AQUARELLE · LAGUNA · TROPIC · CDL · FLOREAL · FSM

Ciel Finance

BNI MADAGASCAR · BANK ONE · MITCO · iPRO INVESTMENT PROFESSIONALS · KIBO CAPITAL PARTNERS · Ciel Finance Data & Analytics

Ciel Healthcare

C care · C care CLINIC · C lab · WELLKIN HOSPITAL by C care · CLINIQUE DARNÉ by C care · IMG INTERNATIONAL MEDICAL GROUP

Ciel Properties

ebene skies · Ferney · Ferney LA VALLÉE · Ferney AGRiHUB · Ferney FALAISE ROUGE · Ferney NATURE LODGE

Ciel Hotels & Resorts

Sun RESORTS · LA PIROGUE A SUN RESORT · MAURITIUS · Ile aux Cerfs LEISURE ISLAND MAURITIUS · Shangri-La's Le Touessrok Resort & Spa MAURITIUS · SOLEA · FOUR SEASONS · ANAHITA GOLF & SPA RESORT MAURITIUS · ambre A SUN RESORT · MAURITIUS · LONGBEACH A SUN RESORT · MAURITIUS · Sugar Beach A SUN RESORT · MAURITIUS · WORLD LEISURE holidays

Ciel Agro

Alteo · ANAHITA MAURITIUS

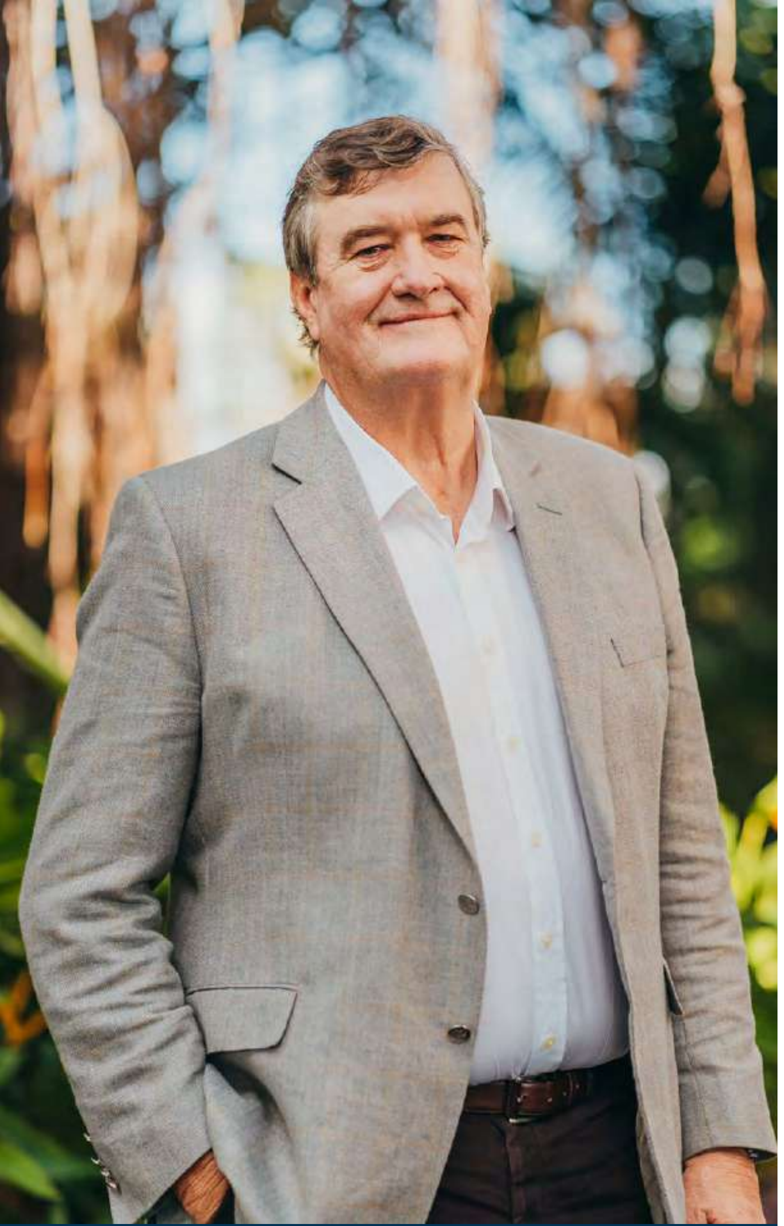
A Strong Network of Global Partners

- AMETHIS FINANCE
- AXIAN LET'S GROW TOGETHER
- PROPARCO GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT
- I&M Bank LIMITED
- FFP
- IFHA INVESTMENT FUND FOR HEALTH IN AFRICA
- Fimalac
- Tereos
- DENTRESSANGLE investing through passion
- FOUR SEASONS
- SHANGRI-LA HOTELS and RESORTS
- IBL TOGETHER
- IFC International Finance Corporation WORLD BANK GROUP
- MARIETTON DEVELOPPEMENT
- Quadran

INSIGHT FROM OUR LEADERS

"Our business models have adapted successfully and we are raising the bar on digitalisation and sustainability agendas.

– Jean-Pierre Dalais



A Letter from our Chairman

> **We focussed on what was within our control and continued to deliver operational excellence along with prudent and decisive cost management.**

Dear Shareholder,

The past eighteen months have been challenging. However, we have all been given a great opportunity to relook and rethink how we operate and prepare our Group for the future.

Strategy

As mentioned last year in our report, our immediate response to the pandemic was to ensure that our people were safe, cared for and equipped. Considerable focus was given to our portfolio and how to optimise operations to respond correctly to the headwinds experienced and brought about by COVID-19, not to mention the already changing trends experienced pre-COVID.

All through this process, we maintained a strong conviction and belief in our strategy. Our diversified portfolio is the fundamental value proposition of the Group which allows us to gain exposure and experience, not only across our six clusters, but also across emerging and developed markets.

We focussed on what was within our control and continued to deliver operational excellence along with prudent and decisive cost management. We aimed at optimising our capital allocation and unlocking value from our strong asset base through adjusting the corporate structure and portfolio.

Management took the decision to adjust the corporate structure by splitting the Agro & Property cluster into two distinct operating segments and the clusters were reported separately at the end of this financial year. This will allow the teams to prioritise and better optimise each business' contribution to CIEL Group's profit.

We also pursued our efforts on optimising the portfolio and divested from certain assets such as the Kanuhura resort in the Maldives, the healthcare insurance business in Uganda and recently the hospital and insurance businesses in Nigeria.

Performance

Over the year, the resilience of the portfolio was evident with a turnaround in our clusters, barring Hotels & Resorts who took the full impact of the pandemic in this financial year.

We also took the opportunity to redefine and clarify strategies across our investment clusters. The Textile and Healthcare clusters demonstrated remarkable agility in capturing new growth opportunities and identifying trends in the new operating context. The Finance cluster continued its resilient performance despite a difficult operating environment. The newly created Properties cluster's results benefitted from the non-cash revaluation of land from the Ferney sustainable development. The Agro cluster, consisting of our 20.96% share in Alteo Limited, had a remarkable turnaround, mainly due to overall improved sugar production and prices across all operations.

Considering the marked improvement in our financial performance and recognising the importance of dividends to our shareholders, we had the ability to reward shareholders by paying a dividend of 5 cents per ordinary share, based on the results of the financial year ended June 2021. The Board has also taken the decision that in the future, the dividends will be declared annually in June (should the Company be in a position to declare a dividend), payable in July. This will allow the requisite visibility on the results of the financial year when declaring a dividend.

Risk and Governance

Through times of crisis and uncertainty, the importance of an agile and reactive governance and risk management process is highlighted. The Group recognises the importance of identifying and managing financial and non-financial risks faced by the business. We consistently pursue good governance and risk management intertwined with key environmental and social targets, which are all dedicated to ensuring collective conscientiousness throughout the Group.

Our risk identification processes seek to identify risks from both a top-down strategic approach and a bottom-up operational perspective. In this way, we have moved climate change from an emerging to a principal risk as it has the potential to change the world in which we live and operate, dramatically. Tackling climate change, by taking measures to limit its impact to manageable levels, has become a key strategic priority for the Group.

We further continued our focussed management of our cyber security and operational systems due to the prevalence of work from home and the risks that are associated with having employees being off premises. Please see our risk management approach and corporate governance report for more detailed information.

Leadership and Teams

Our management teams have showed their agility and talent through this difficult time and my thanks go to our Group CEO, Jean-Pierre Dalais and Group CFO, L. J. Jérôme De Chasteauneuf who supported them during this process.

We are also privileged to have a diverse set of board directors who bring valuable skills, perspectives and experience into the boardroom and have worked hard at providing relevant guidance to the executive management teams during the past eighteen months.

Acknowledgements

Investment in our people has always been an ongoing priority and we have set a bold ambition to be # 1 in all our sectors through driving operational excellence and a true spirit of partnership across our clusters and regions. We continue to grow our presence in our regional markets, and I thank all our people for helping us reach for this ambition.

I would like to thank Marc-Emmanuel Vives, the outgoing CEO of CIEL Finance for his six years of highly efficient and dedicated service. We wish Lakshmana Bheenick, his successor, all the best in the new role.

Outlook

IMF forecasts show increased GDP growth of 3.2% in Madagascar, 6.6% in Mauritius and 9.5% in India for the calendar year 2021. We are however cautious as to our expectations in the short-term.

With our long-standing diversification and presence in the region (Mauritius and Madagascar) and in South Asia, CIEL is well positioned to benefit from the recovery in global markets. The Group is confident about our medium to long term prospects.

Thanks to all these measures, decisive actions and great team, I am proud to say that we are a stronger and leaner organisation and ready for the future.

P. ARNAUD DALAIS
CHAIRMAN

"I was impressed by the capacity of our teams to overcome what was the worst storm we have ever had to go through. The spirit that has emerged is inspiring and will conquer the challenges in this fast-changing world.

Interview with our CEO

The last year has been extraordinary. What are the key takeaways that will guide your actions going forward?

2021 has reinforced what a resilient Group we truly are. At the onset of the pandemic, and when the world was trying to adjust, we decided to turn this crisis into an opportunity. One of our first objectives was to embark on a review of the Group's strategy and the quality of our portfolio of businesses. Our ambition was to emerge out of this situation as a much leaner and more agile organisation. I am pleased to report that we have achieved this goal thanks to our ability to rapidly adjust costs and refocus our core activities with the highest growth potential for a post-Covid era. This would not have been optimal without the successful longer-term refinancing of our balance sheet over the last year, thereby providing us the adequate financial resources to accelerate our development.

I was impressed by the capacity of our teams to overcome what was the worst storm we have ever had to go through. The spirit that has emerged is positive and inspiring and will allow us to be primed for this fast-changing world.

Our Group is uniquely positioned in Healthcare, a great differentiator brought to light by the pandemic. Our regional positioning is already strong but opportunities for growth abound not only in this cluster, but across all our other businesses. Our fashion activities are benefitting from the increasing supply chain shift out of China. Our banking operations showed continued progress and stronger balance sheets in a difficult environment. More recently, we set the right foundation to hasten the growth of our property cluster with the objective of unlocking value from our assets. Finally, our share in Alteo Limited performed well as sugar prices and production improved across their geographies.

I believe that we have effectively demonstrated resilience, agility and innovation by weathering the last eighteen months well. Our business models have adapted successfully, and we are raising the bar on digitalisation and sustainability agendas. The battle is not completely won but I feel greatly encouraged by what we have achieved as a Group.

How would you describe the Group's performance in the last year?

This year proved extremely difficult for the hotel industry worldwide and the impact on Mauritius was severe with the closure of our borders. This situation led to a 15% year on year reduction in Group revenue. Growth in the Healthcare and Finance clusters helped to quasi-mitigate the collapse in sales activity in the Hotels & Resorts cluster. The increase in EBITDA margin compared to the prior year demonstrated the effectiveness of the cost-saving initiatives deployed throughout the Group.

On the financing front, SUN Limited ("SUN") secured MUR 2.3bn of initial financial support from the Mauritius Investment Corporation out of a total approved funding line of MUR 3.1bn. This assisted in reducing the Group's indebtedness and allowed us to meet the refinancing of SUN's notes' repayment scheduled for the end of the 2021 calendar year.

As part of our strategic review, we identified several areas in our portfolio that could be optimised and made the decision to divest from certain non-core assets. Notably, we sold the Kanuhura resort in the Maldives, exited from the healthcare insurance business in Uganda and from the hospital and insurance activities in Nigeria.

Furthermore, our fashion business through its subsidiary Aquarelle International Limited, entered into a strategic partnership with the SOCOTA Group in Madagascar for the creation of the largest woven fabric mill in the Indian Ocean region.

What did you learn in this past year?

In terms of lessons learned, last year was a phenomenal leadership test on many levels, notably of resilience and decisiveness. There was no rule book for what we have been through but the exceptional team we have made all the difference as we all rose to the challenge.

We are a relatively large and diversified group in the region, and yet we managed to remain agile and use our diversity as a strength. Each of our entities took the appropriate decisions with the objective of maintaining the financial health of the Group and ensuring the health and safety of our people and customers. These priorities were endorsed by all our teams with the end goal of bringing us out of the crisis fitter, leaner and stronger.

I am convinced that in today's world, being agile and able to act fast will make a huge difference.

Interview with our CEO

Please give an update on material issues and risks.

The continuation of the pandemic is likely to have a significant and prolonged impact on global economic conditions. Our supply chains, customer and supplier base could be affected by business closures, labour shortage, raw material supply and cost inflation.

Climate change is no longer an emerging risk. It is clearly becoming a principal risk as adverse weather events or natural disasters could negatively affect economies and disrupt businesses. Our commitment to improving energy performance and reducing carbon emissions is intended to reduce our impact on the environment and should also deliver significant long-term cost savings.

Tell us more about your approach to being a diversified investment group.

We are diversified in terms of the varied markets we serve but our strength also comes through our solid positions in the African and Asian markets. We have demonstrated excellence in the exports of products and services, and we can use these skills to tap into innovative markets such as Financial Services and Healthcare which have different cycles and capital intensity. We are gathering momentum not only as an international supplier but importantly as a proximity supplier to fast-growing sectors and regions.

What are CIEL's primary focus areas/initiatives?

A strong sustainability focus and ethos is at the core of all our decision-making. We launched our 2030 strategy last year and have spent this year setting out a strategic roadmap with tangible deliverables and timelines. We aim to design responsible products and services across our clusters and encourage our stakeholders, clients, and suppliers alike, to make the right choices in this regard. I recommend you have a look at our sustainability dashboards for more on our initiatives.

Next, our focus is on the digitalisation journey which is vital to the long-term sustainability of the Group, and we have a dedicated data team that extensively collaborates across the Group. For example, within our banking operations and in the Healthcare cluster, projects range from automating reporting (functional, compliance, audit, operational) through to strategic insight and analysis via machine learning, which assists the teams with their decision-making and planning.

And of course, our people are integral to the entrepreneurial spirit of CIEL. They leverage our strategy and ensure we fulfil our vision to 'Go Beyond'. This year we conducted an Employee Engagement Survey, and the results were pleasing with a 10% increase from the 2019 survey (2021: 74% vs 2019: 67%). I recommend you have a look at our People dashboards for more information.

Looking forward – what's next for CIEL?

Over the next few years, we will further refine our strategy and continue to identify growth prospects for the Group that meet our strategic, risk and return criteria. Many areas of CIEL are poised to do well and with the continued focus on digitalisation, sustainability, and our people, we will have the tools and capacity to optimise our strong asset base whilst being in a good position to capture new opportunities.

We see solid growth in the Healthcare and Finance sectors notably in Africa. In addition, our manufacturing know-how, specifically in India where the market is huge and growing fast, is a strong differentiator we are planning to further capitalise on. We will further develop our property portfolio to unlock value. The recent doldrums of the Hotels & Resorts cluster calls for caution, but we are more than encouraged by the current booking momentum.

The consequences of the pandemic have been very tough, we are not completely out of it yet, but the CIEL Group as a whole has emerged stronger, and we are excited about the future.

JEAN-PIERRE DALAIS
GROUP CHIEF EXECUTIVE

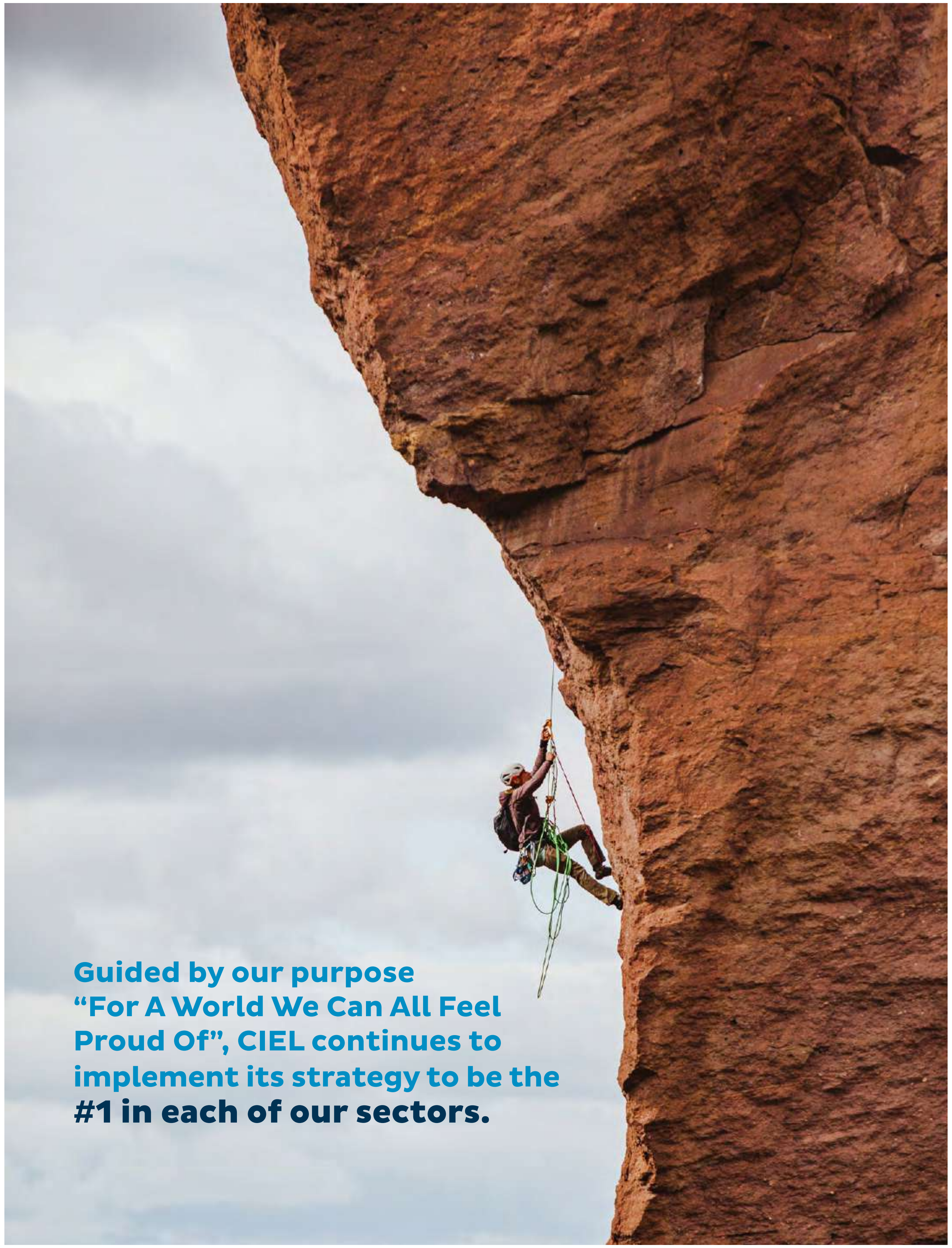
Click on image to access video

OUR VALUE CREATION STORY

Over the next few years, we will continue to refine our strategy and continue to identify growth prospects for the Group.

- Jean-Pierre Dalais

CIEL Strategy



Guided by our purpose "For A World We Can All Feel Proud Of", CIEL continues to implement its strategy to be the #1 in each of our sectors.

	Associated KPI	Associated Risks
1 **Optimise assets and performance with focus on EBITDA generation and return on capital employed**	EBITDA Growth and Return on Capital Employed	1 2 3 4 5 6 7
2 **Drive Operational Excellence (OPEX) across the Group**	OPEX Dashboard	6 7
3 **Consolidate our presence in selective regional markets**	Share of Revenue & Profits from International Markets	2 6 7
4 **Increase focus on services-oriented businesses - B2B2C – and customer satisfaction**	Customer Satisfaction Scores	1 2 3 4 5 6 7
5 **Nurture talent development**	Enhance HR capabilities across the Group through accelerated exchange of best practices	6
6 **Embrace sustainability for competitive edge**	Sustainability Dashboard	1 6 7

CIEL Strategy

Key Capitals Impacted

- Financial Capital
- Manufactured Capital
- Social & Relationship Capital
- Intellectual Capital
- Human Capital
- Natural Capital

Strategic Pillars	Progress this Year	Next Steps	Key Capitals Impacted	SDGs Tackled
Optimise assets and performance with focus on EBITDA generation and return on capital employed	• Long term financing secured for CIEL • Delivered improved margins in all investment clusters, except for Hotels & Resorts • Reduced fixed cost base across clusters • EBITDA margin increased year-on-year • Increased value of portfolio by 42% • Decreased indebtedness through MIC loan for SUN Resorts	• Continued focus on optimising operations • Increase focus on improving cash flow and EBITDA generation • Focus on foreign currency positioning	Financial Capital	8 Decent Work and Economic Growth
Drive operational excellence across the Group	• OPEX KPIs implemented within all clusters • In second year of Group Innovation Awards and roll out across the group with Finance and Healthcare holding their own innovation awards • Textile held the Chairman's Excellence Awards • HR Forum held this year	• Best practice forums to resume online • Continued focus on digitalisation and innovation	Financial Capital, Social & Relationship Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production
Consolidate our presence in selective regional markets	• Robust momentum in CIEL Textile's international operations in Madagascar, India and Bangladesh with new Indian operations posting profits for first time • Signed strategic partnership with SOCOTA to develop the largest woven fabric mill in the Indian ocean • BNI Madagascar #1 position maintained for the corporate segment, whilst the bank has gained market share on the retail front • Exit from health membership organisation (HMO) business in International Medical Group (IMG) in Uganda to focus on core business • Sale of Kanuhura Resort (Maldives) operations in May 2021 • Remarkable turnaround in Alteo's financial results due to better sugar prices in our markets and an improved sugar production in Kenya	• Capture new opportunities in growth sectors • Focus on new Properties cluster to unlock value • Continue to consolidate our presence in regional markets by increasing efficiency and profitability of existing assets	Financial Capital, Human Capital, Manufactured Capital, Intellectual Capital	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 17 Partnerships for the Goals
Increase focus on services-oriented businesses – B2B2C – and customer satisfaction	• CIEL Textile positioned as one stop shop for retailers and digital sampling and virtual factory tours implemented • CIEL Healthcare increased bed capacity and invested in new technologies and departments (eg. oncology ward) • CIEL Finance through banking joint venture (BankOne) implementation of new IT platform progressing well and launch of new digital platform - POP • CIEL Hotels & Resorts - SUN rebranding and focus on B to C in progress with an international consultancy firm along with 'work, live and play' programme implemented	• Increase digitalisation transformation in growth sectors (Finance & Healthcare) • Leverage on new concepts and new consumer behaviours to generate revenues (Hotels & Resorts) • Sustainable transformation of traditional industries (Agro, Hotels & Resorts and Textile)	Financial Capital, Social & Relationship Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital	3 Good Health and Well-Being 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 8 Decent Work and Economic Growth 11 Sustainable Cities and Communities

CIEL Strategy

Strategic Pillars	Progress this Year	Next Steps	Key Capitals Impacted	SDGs Tackled
Nurture talent development	- Employee engagement survey undertaken - The drive for enhancing employee experience continues to progress through the digitalisation strategy with the implementation of Human Capital System (HCM) modules - A Gender Balance Program established at Group level	- Continuously explore and identify opportunities to digitalise key HR processes - Continue to give employees opportunities to transfer across business units or clusters to gain experience - Pursue journey for "Top Employer Brand"		3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Embrace sustainability for competitive edge	- Implementing roadmap in alignment with the Group Sustainability Strategy 2030 - Held Sustainability Forum with 200+ executives of the Group - CIEL Textile invited to COP26 UN Climate Change Conference - Deployed digital tool to collect and analyse sustainability data in the Textile cluster - The Textile cluster also introduced the Eco Index to decrease our client's impact on the environment and gained LEED certification for factory in Samudra - Creating innovative initiatives for Environmental & Social impact across clusters (Ferney Agri-Hub, Waste to Wealth program, among others) - CIEL COVID Fund continues to support those in need	- Launch Ferney sustainable development project - Continue engagement around sustainability issues within and outside the Group - All clusters to implement supplier assessments on sustainability / ESG - Flagship conservation project in the Ferney Valley moving to next phase of populating the new conservation zone on the coastline near Falaise Rouge		1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH 14 LIFE BELOW WATER 3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 15 LIFE ON LAND 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 5 GENDER EQUALITY 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS 6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CIEL Business Model

Key Group Inputs in the Year

Human Capital

We nurture a winning culture with talented individuals, an intrapreneurial approach, and unique technical expertise.

- Approximately 31,000 employees in the Group across six clusters
- A truly international workforce with 70% based outside Mauritius
- A young and dynamic team with an average employee age of 37 years

Financial Capital

We draw our financial capital from our equity and debt holders as well as cash flow earned from our operations.

- Additional investment in the Healthcare cluster of MUR 54M
- Optimised portfolio for leaner and more efficient operations
- Revaluation of land at Ferney

Manufactured Capital

We use our fixed assets such as: land, buildings, hotels, factories, logistics and technology assets to create value.

- Creation of CIEL Properties
- Strategic partnerships at heart of CIEL strategy

Intellectual Capital

We foster innovation which is rooted in our culture and the intellectual property created from that includes our solid brands & reputation, new systems and processes, new products, solutions, and offerings.

- Investment in digital technologies
- A diversified brand portfolio and partner network

Social & Relationship Capital

We earn and maintain our reputation through trusted relationships with our key stakeholders, largely thanks to our 109-year track record and choice of strategic partners, all of which are essential to our growth.

- Consistent stakeholder engagement
- Trusted relationships with NGOs, trade organisations and public authorities

Natural Capital

We source our raw materials using sustainable practices and commit ourselves to use them and the associated natural capital efficiently.

- Designing responsible products and encouraging clients to make the right choice
- Received letter of intent from the Economic Development Board of Mauritius for development of land in Ferney
- Ongoing endemic fauna and flora conservation programme at Ferney La Vallée in partnership with the Mauritian Wildlife Foundation

Business Model

Our Ambition

Be the #1 in each of our sectors

Our Activities

Our Investment Approach

A hands-on approach staying close to operations

Long-term strategic partnerships bringing capital and expertise to our operations and expansion

An entrepreneurial attitude with 109 years track record

Predominantly controlling stakes in our companies

Focus on customer experience

Key Outputs and the Value Created in the Year

Human Capital

- 295,000 training hours invested to grow our people:
  - 220,000 hours on technical training
  - 75,000 hours on leadership training
- A Gender Balance Program established at Group and cluster level
- The Group Employee Engagement Survey conducted showed a 10% increase from the 2019 survey (2021: 74% vs 2019: 67%)
- Sustaining an innovative culture through the CIEL Innovation Awards where our colleagues can submit ideas and projects

Financial Capital

- 42% increase in the value of the investment portfolio
- Increased activities at C-Care owing to the addition of more beds, and lab operations led to higher revenues
- Decreased fixed cost base leading to EBITDA margin increase to 15.1% (2020: 14.6%)
- Moved from a loss-making position to a positive Profit After Tax this year

Manufactured Capital

- Consolidation of non-core industrial properties of the Group into a stand-alone new property vehicle
- Worked on strategic partnership with the SOCOTA Group (COTONA) in Madagascar for the creation of the largest woven fabric mill in the Indian Ocean region. Transaction closed in August 2021

Intellectual Capital

- Automation projects, strategic insight analysis and artificial intelligence projects across clusters
- Launch of digital payment platform in BankOne - POP
- Intensifying efforts to increase brand awareness across clusters

Social & Relationship Capital

- Engage with stakeholders through quarterly financial reporting, annual reporting, and AGM
- Contribution of MUR 10.7M to corporate social responsibility
- Successful 14th semi-virtual CIEL Ferney Trail
- Continued support for employees affected by COVID-19

Natural Capital

- Our Textile cluster has introduced the Eco Index to decrease our client's impact on the environment
- Six 0 waste factories as part of Asia "Waste to Wealth" programme
- 1,142 trees planted in the year (33,800 since 2008)
- 13 Ha restored as at 30 June 2021
- 18 critically endangered species present in our forests
- 43 endangered species present in our forests

People Dashboard

Foster a Vibrant Workforce

Under this pillar, we consider employees across the Group's operations, including Alteo.

Work Environment

CIEL remains a truly international organisation with nearly 70% of its workforce on the African and Asian continent. Despite the constraints imposed by the COVID-19 pandemic on operational sites and the workplaces of our collaborators, we have shown resilience and are proud to provide over 31,000 careers.

Employees by Country (Main Operations) 2021:

Total Employees:

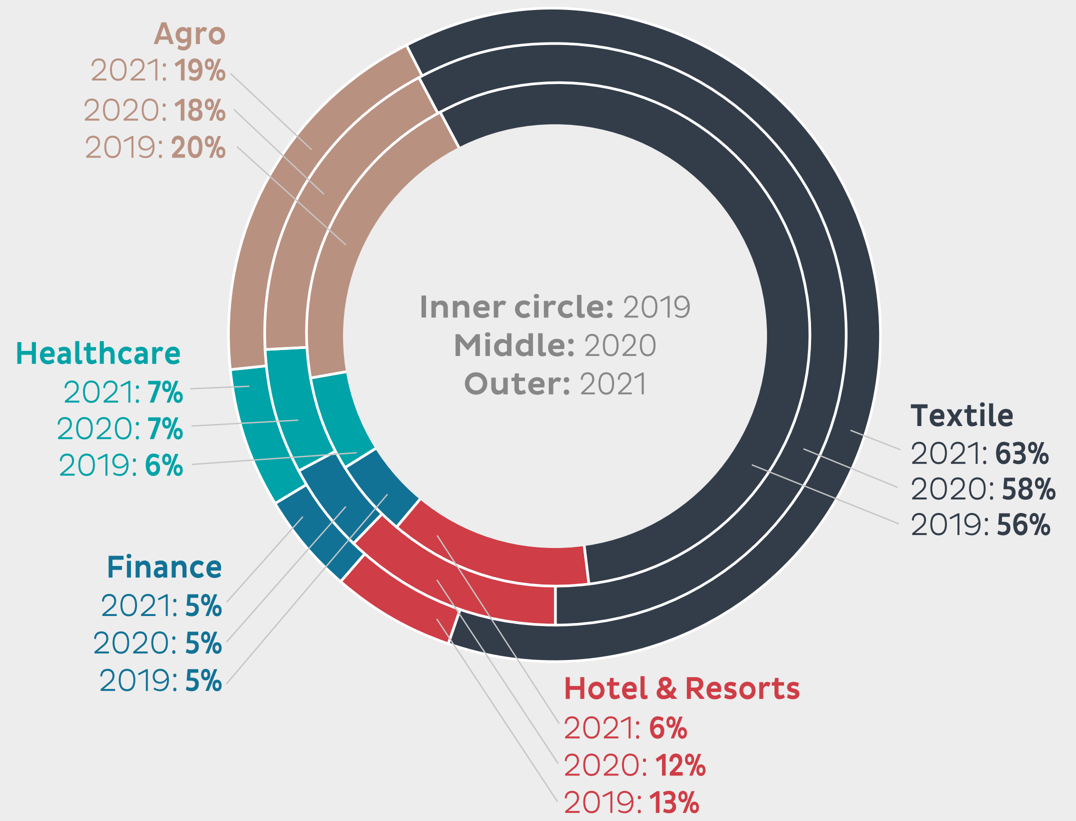
31,308 **-1.5%** vs 2020

37 Years average employee age

7 Years average years of service

38% Employees live less than 15km from work

Percentage of Employees per Cluster*



*The newly created CIEL Properties accounts for 0.2% of employees in 2021

People Dashboard

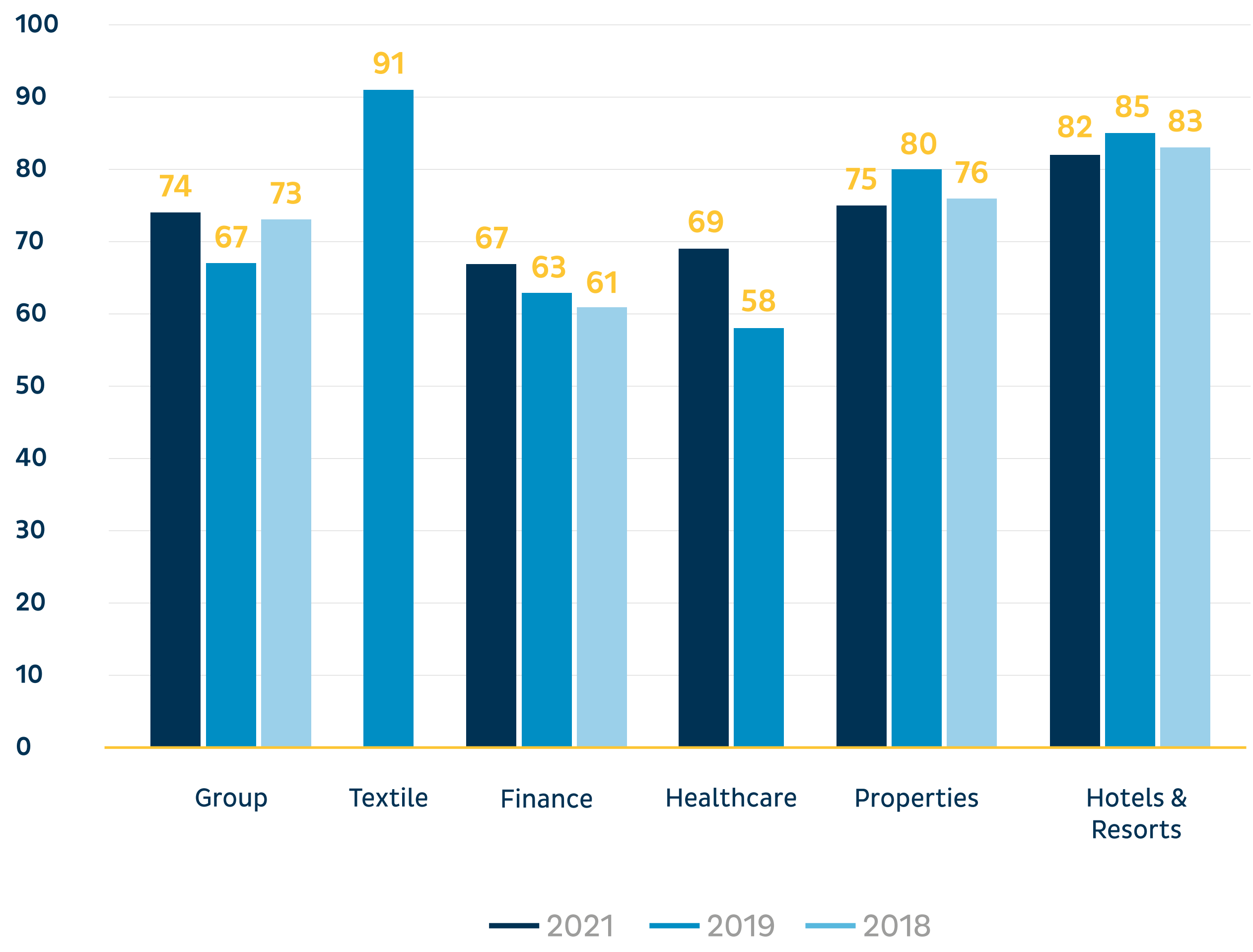
Engagement Score

A new engagement survey was carried out in 2021, showing high spirits across the Group overall, despite a slight drop at the Hotels & Resorts and the Properties clusters. CIEL Healthcare saw a notable increase since 2019, and CIEL Finance is showing steady progress. CIEL Textile has deferred its survey to 2022 due to operational priorities linked to the pandemic.

Goal:

Achieve "Top Employer Brand" or equivalent status by 2025

Engagement Score per Cluster

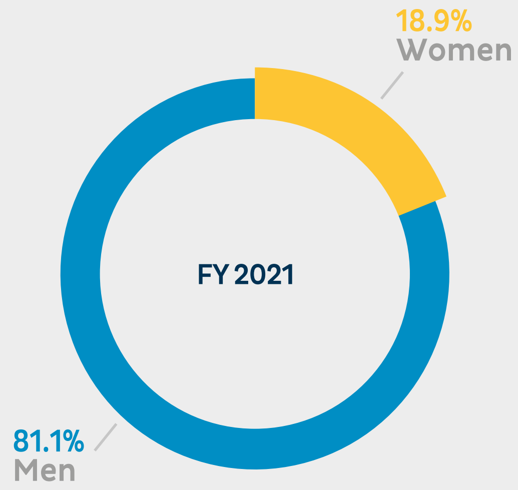


Gender Balance

This financial year sees an increase of 2% in women at management level, and 0.6% at directorship level*. The CIEL Women Network has been active to further facilitate the professional journey of women across the Group.

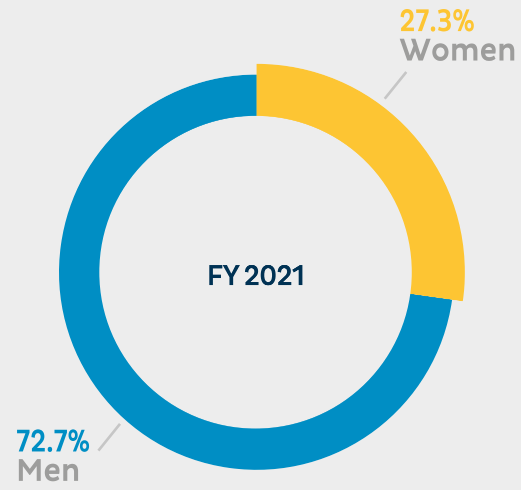
Women at Management Level

	2020	2021	Variance
Textile	20.5%	24.0%	+3.5%
Finance	29.4%	29.4%	+0.0%
Healthcare	34.7%	39.0%	+4.3%
Properties	-	37.5%	-
Hotels & Resorts	28.8%	26.7%	-2.1%
Agro	11.1%	23.8%	+12.7%



Directors

2020: **18.3%**
2030 goal: **30%**



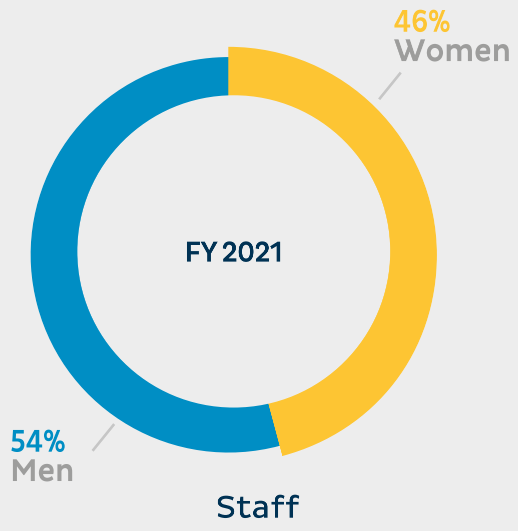
Management

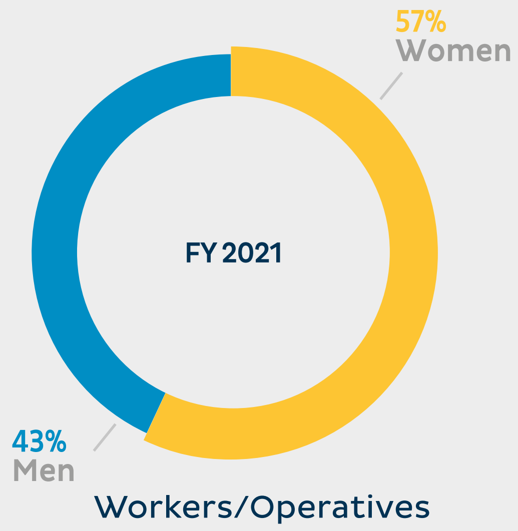
2020: **25.3%**
2025 goal: **35%**

*Management level refers to company CEOs and their direct reports, while directorship refers to members of boards of directors, including independent directors.

People Dashboard

Gender Balance (Con'd)





This financial year, we have a breakdown of the workforce at Staff and Workers/Operatives level. With 46% and 57% respectively being women, it demonstrates the potential for more women to grow to management level in the future.

Learning & Development

Total training hours dropped in FY2021 due to the pandemic and focus was on immediate and strategic needs. Whilst most clusters continued to invest more in the workforce, Healthcare remained an exception with a sharp drop of 31% of the workforce trained, on account of increased focus on operational requirements in response to the pandemic. Hotels & Resorts trained more of its workforce, essentially preparing for new sanitary protocols in force.

220,000 Hrs

Technical training

15% since 2020

75,000 Hrs

Leadership training

23% since 2020

252

Transfers

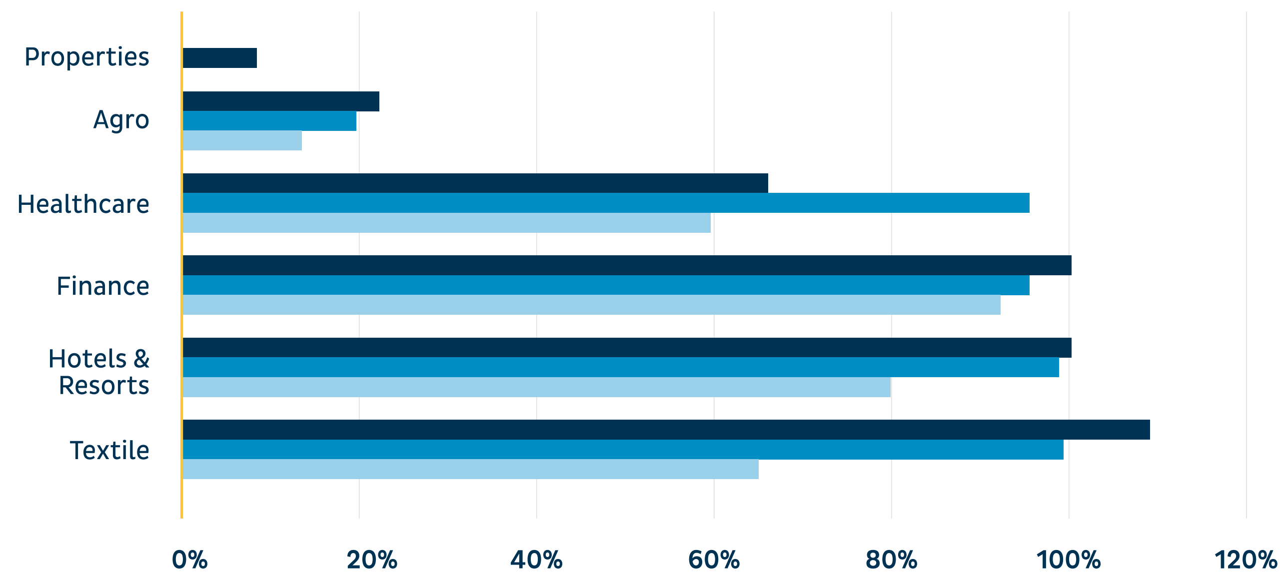
Colleagues seizing opportunities across BUs or clusters

423

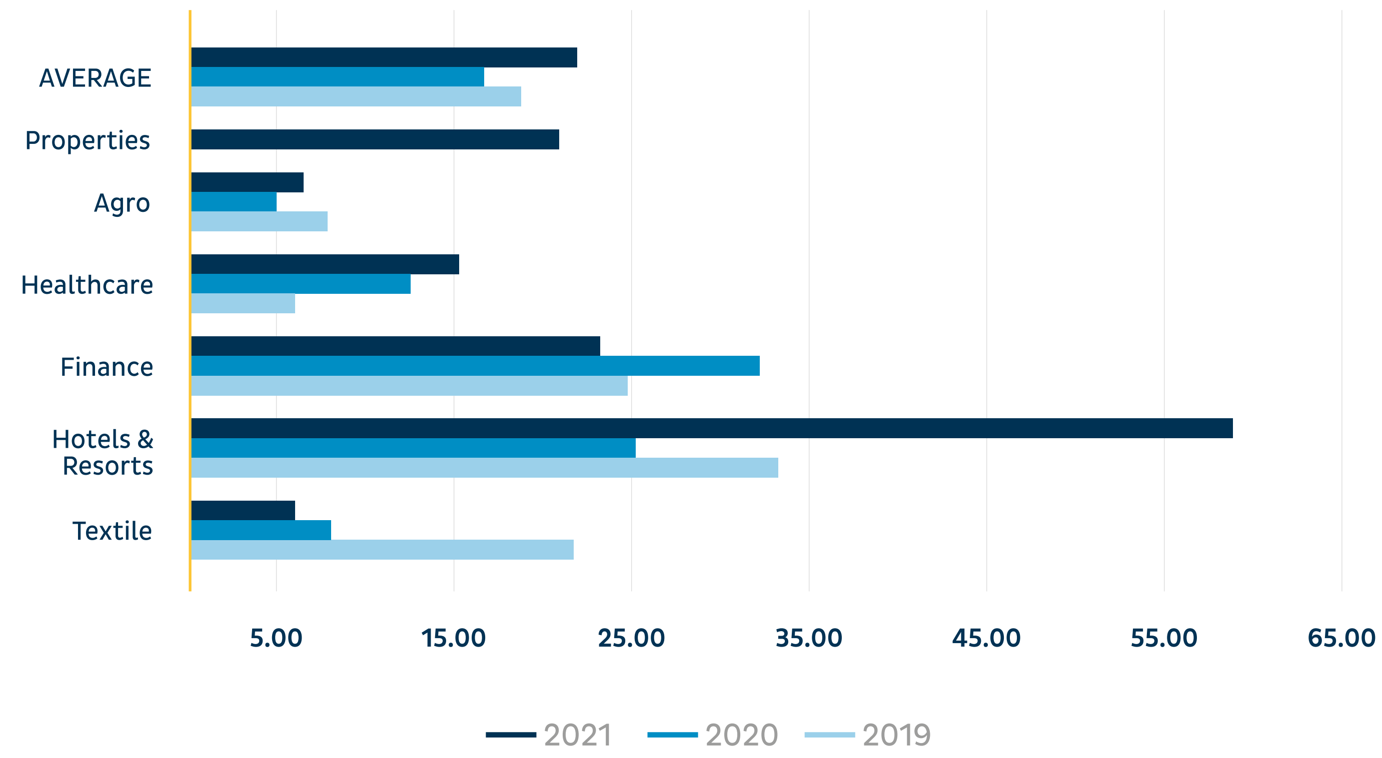
Internal Promotions

Recognising talent within the Group

% of Workforce Trained



Training Hours per Employee



PERFORMANCE

"

The Group posted encouraging results for the 2021 financial year on the back of the ongoing turnaround from almost all our clusters.

– L. J. Jérôme De Chasteauneuf

CIEL Financial Overview

The Group posted encouraging results for the 2021 financial year on the back of the ongoing turnaround from almost all our clusters.

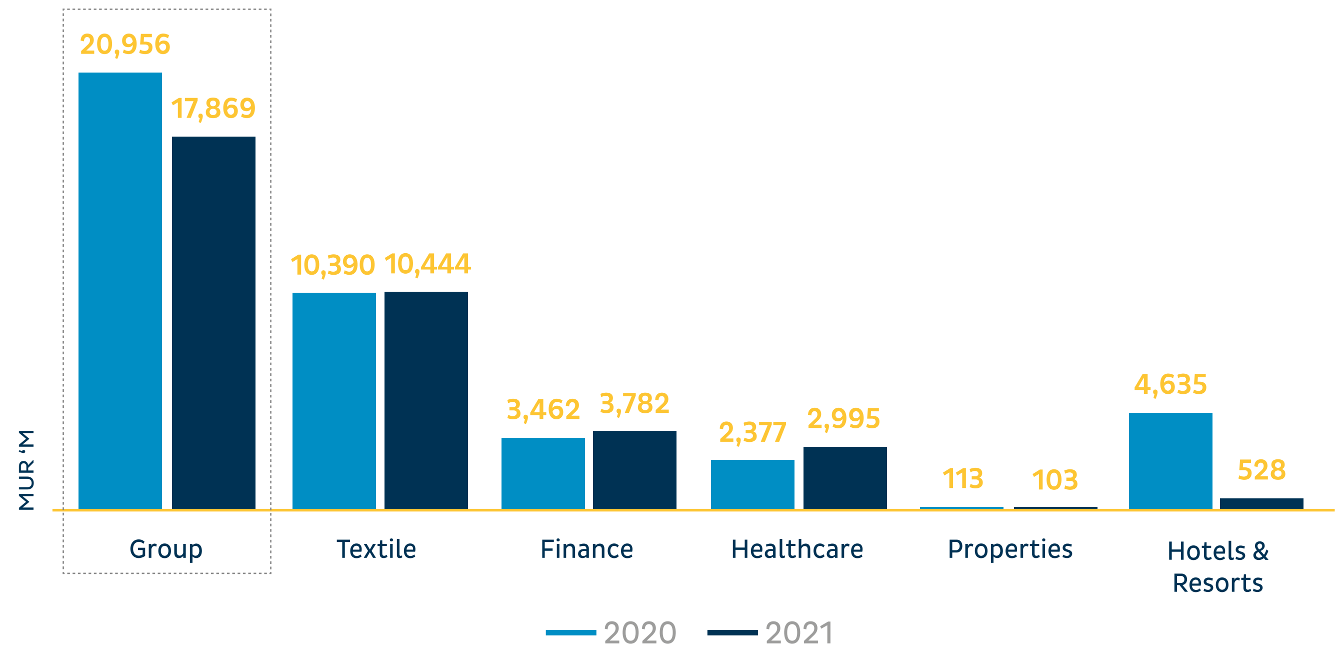
In view of the marked improvement and strong capital base, the Board has declared a dividend of 5 cents per ordinary share which will be paid at the end of October 2021.

- L. J. Jérôme De Chasteauneuf

Financial Overview

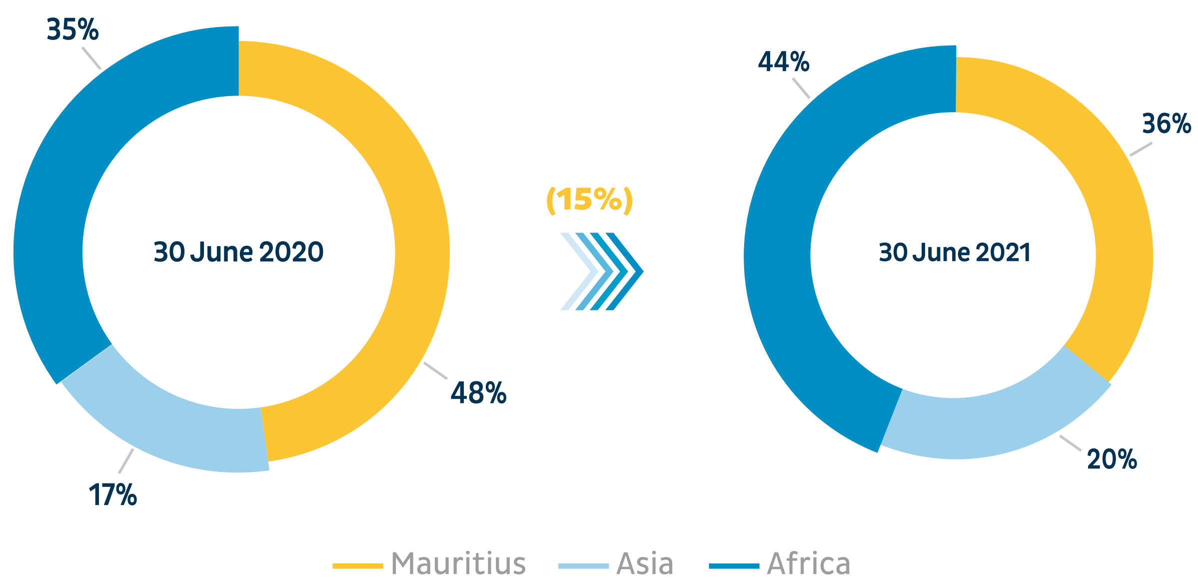
Revenue totalled MUR 17.9 bn: a significant rebound in year-on-year Q4 results (2021: MUR 4,383M and 2020: MUR 2,477M) helped alleviate the year-on-year decline of 15%. Growth in the Healthcare (+26%) and Finance (+9%) clusters further assisted in mitigating the impact of the pandemic from the Hotels & Resorts business (-89%).

Revenue



Where We Generate Our Revenue

Increased exposure to growth regions



CIEL Financial Overview

FINANCIAL OVERVIEW

MUR 'M	2021	2020	% Change
Revenue	17,869	20,956	(15%)
EBITDA[1]	2,697	3,053	(12%)
Depreciation and amortisation	(1,301)	(1,341)	(3%)
Earnings Before Interests and Taxation (EBIT)	1,396	1,711	(18%)
Impairment	(576)	(1,378)	(58%)
Fair value gain of investment properties	960	160	500%
Net finance costs	(1,274)	(1,439)	(11%)
Impairment of associates	-	(109)	
Share of results of associates & joint ventures net of tax	267	(51)	(119%)
Before tax	**773**	**(1,106)**	**170%**
Taxation	(80)	(189)	(58%)
Profit/(Loss) from continued operation	**693**	**(1,295)**	**154%**
Loss from discontinued operation	(247)	(883)	(72%)
After tax	**446**	**(2,178)**	**120%**
Attributable to:			
Owners of the Parent	617	(1,680)	137%
Non controlling interests	(171)	(498)	66%
Basic and diluted (loss)/earnings per share (MUR)	0.37	(1.00)	(137%)
EBITDA Margin	15.1%	14.6%	
Equity	22,185	18,614	19%
ROE	2%	0%	
Net Asset Value per Share (Group)	8.85	6.69	32%
Net Asset Value per Share (Company)	9.28	6.00	55%
Net Interest Bearing Debt[2]	14,157	17,078	(17%)
Gearing = Debt/(Debt+Equity)	39.0%	47.8%	
DEBT to EBITDA[1]	5.2	5.6	
Capital Employed	36,342	35,692	2%
ROCE	4%	5%	
Dividend per share (MUR)	0.05	0.08	(38%)
Market Capitalisation (MUR 'bn)	8,738	5,869	49%

[1]Earnings before Interest, Tax, Depreciation, Amortisation, Impairment charges, reorganisation costs and fair value gain on investment property

[2]Excludes right of use liabilities under IFRS 16 and Banking liabilities

Earnings before Interests, Taxation, Depreciation, Amortisation, Impairment, Reorganisation costs and Fair Value gain on investment property (EBITDA) stood at MUR 2,697M, down by 12%. The EBITDA margin increased slightly to 15.1% compared to the prior year's 14.6%, with a much improved fourth quarter compared with the low base of comparison for the fourth quarter in 2020. This demonstrates the effectiveness of the numerous cost-saving initiatives deployed throughout the Group.

Depreciation and amortisation charges decreased on account of the reclassification of assets: the transfer of MUR 54M depreciation pertaining to Kanuhura (Hotels & Resorts) and MUR 42M for the transfer of Consolidated Fabrics Limited (Textile) to discontinued activities.

Impairment charges and restructuring costs of MUR 576M is a 58% reduction from 2020's MUR 1,378M. It includes impairments of financial assets, the largest coming from the Finance cluster with IFRS9 provisions of MUR 317M, and from non-financial assets, reorganisation costs of MUR 154M at cluster level in response to COVID-19, and the balance which included provisions for obsolete stock and write-off of property, plant and equipment.

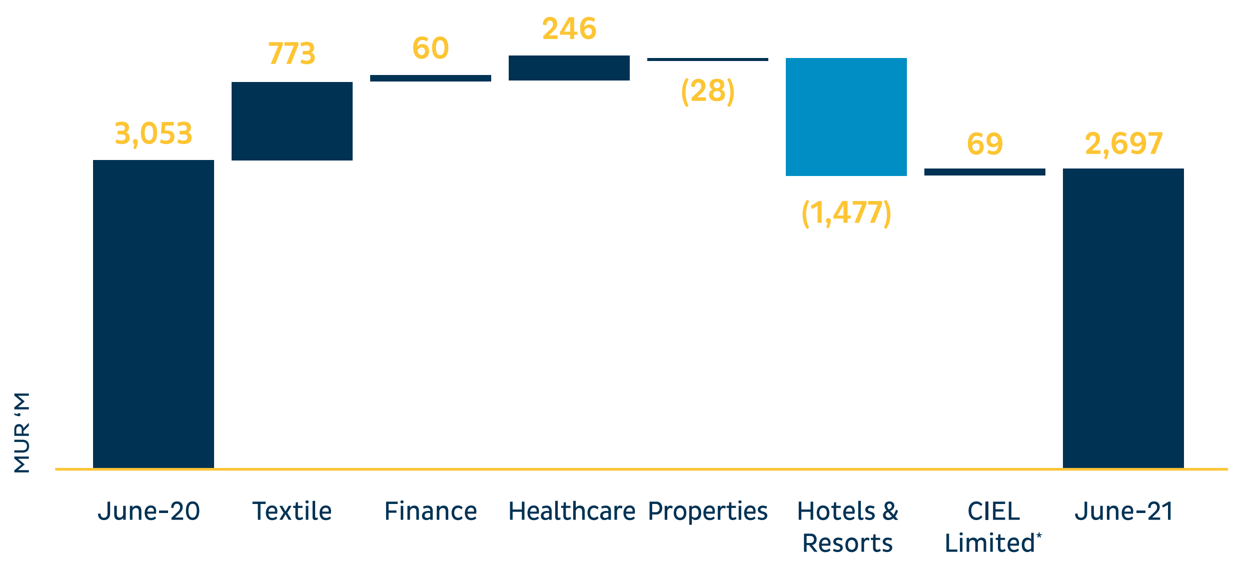
The decrease in **net finance costs** from MUR 1,439M in 2020 to MUR 1,275M in 2021 was mainly due to the restructuring of the debt, the divestment of Kanuhura and financial support from MIC at competitive rates for SUN Limited. CTL indebtedness was also reduced during the financial year.

The **share of results of associates and joint ventures** substantially increased from a negative contribution of MUR 52M to a profit of MUR 267M, largely attributable to our interest in Alteo, who had a remarkable performance in the current financial year. On the joint venture side, increased profits from Bank One from a loss of MUR 37M to a profit of MUR 67M though mitigated by the loss from our joint venture at Anahita Residences & Villas Limited of MUR 68M (2020: loss of MUR 30M).

Income tax charge decreased by MUR 109M owing to tax assets of MUR 225M recognised on losses from the hotel sector.

Loss from discontinued operations of MUR 247M resulted mainly from the reclassification of operational losses of MUR 245M following the sale of Kanuhura (Hotels & Resorts) together with reclassification of operational losses of MUR 27M from the Consolidated Fabrics operation (Textile) and operational profit of MUR 25M from our Healthcare cluster.

EBITDA



*Net of Group eliminations

CIEL Financial Overview

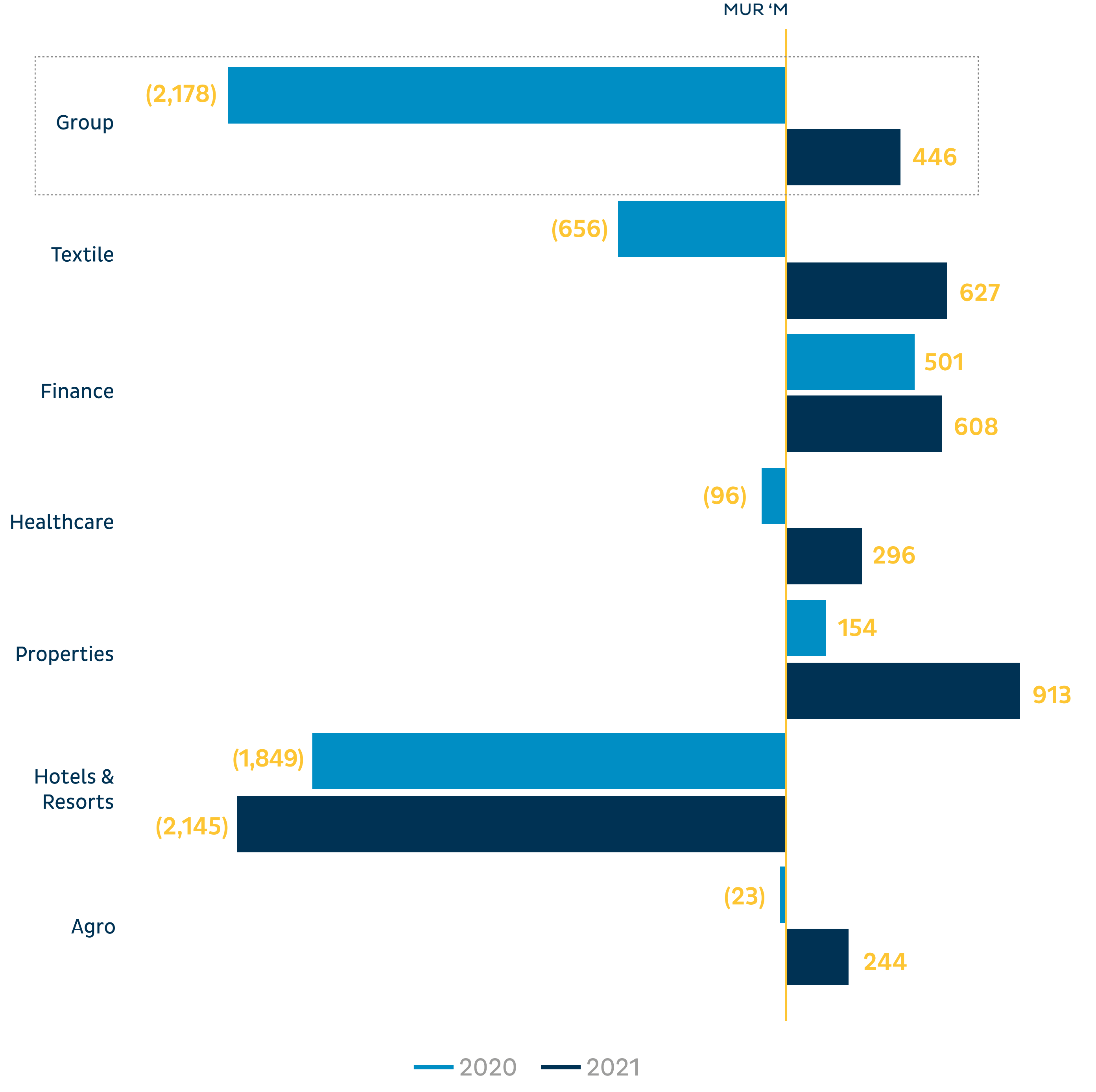
Profit after taxation of MUR 446M was a marked improvement on the loss of MUR 2,178M in 2020.

Profit attributable to owners increased and stood at MUR 617M (2020: Loss attributable to owners of MUR 1,680M).

Financial Structure

Free cash flow reduced by 26% to MUR 986M from MUR 1,325M on the prior period, due mainly to the continued absence of cash generation in the Hotels & Resorts cluster, and the increased working capital needs in the Textile cluster following its rebound. However, free cash flow improved in the Finance cluster and posted a significant increase in the Healthcare cluster.

Profit After Tax



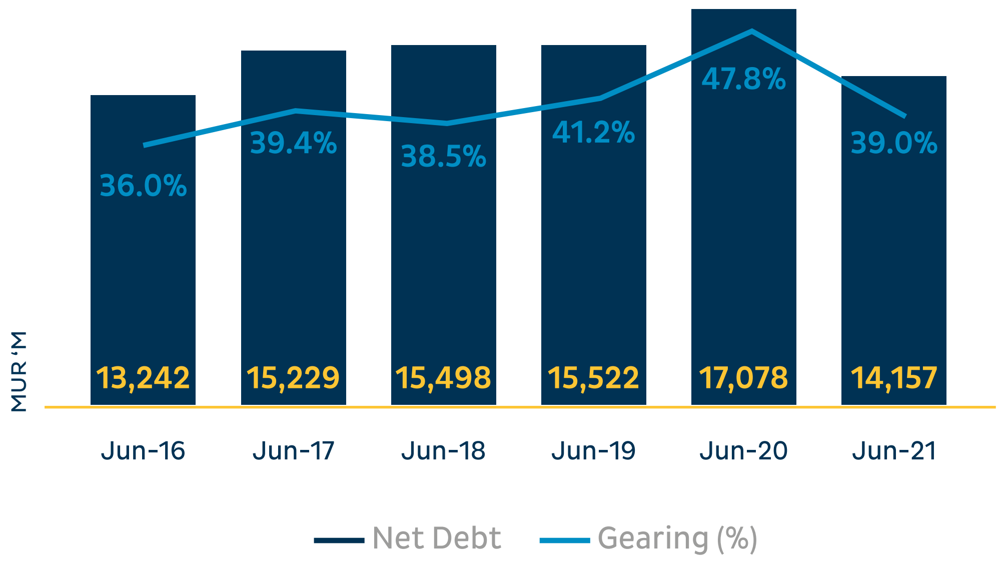
Free Cash Flow

CIEL Financial Overview

Group Leverage

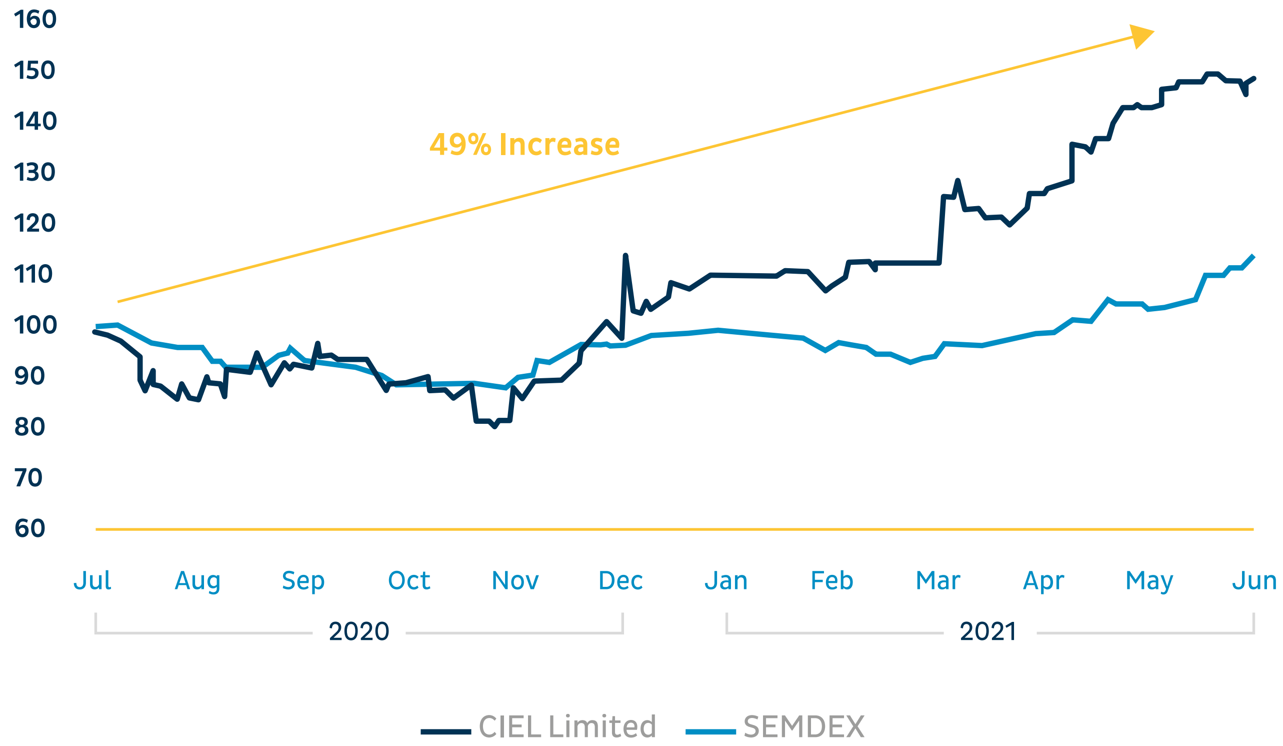
Net interest-bearing debt, half of which comes from the Hotels & Resorts cluster and is not guaranteed by the Group, was reduced to MUR 14.2 bn from MUR 17.1 bn in 2020 with a gearing ratio standing at 39% (June 2020: 48%). Funding from the Mauritius Investment Corporation (MIC) at SUN Limited level in the form of a quasi-equity instrument largely accounted for this reduction in the Group's indebtedness. As at 30 June 2021, a disbursement of MUR 2.3bn from the MIC from a total approved funding line of MUR 3.1bn has been received.

Net interest-bearing debt

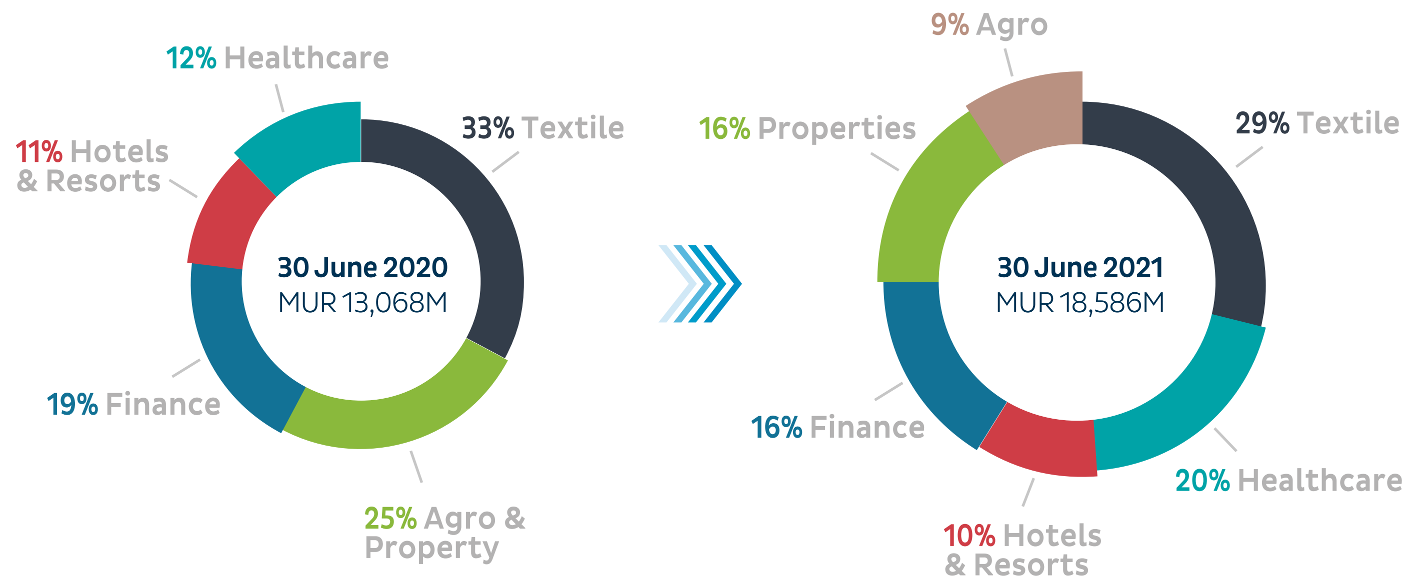


Shareholder Value

CIEL shares outperformed the SEMDEX from the second half of the financial year. CIEL ended June 2021 at MUR 5.18, a 49% increase on the prior period (30 June 2020: MUR 3.48).



Investment Portfolio



- At Company level, the total portfolio value has increased by 42% due to an increase in valuation of all the underlying assets
- The Company Net Asset Value ('NAV') per share increased by 55% and stood at MUR 9.28 as at 30 June 2021 (30 June 2020: MUR 6.00)
- Textile's valuation increased by 28% from a NAV per share of MUR 41.89 to MUR 53.50, based on the discounted cash flow model valuation methodology and the improved projections led by better visibility of the market, a stronger order book, and supported by the depreciation of the rupee
- An increase of 12% for the Finance cluster was mainly due to an increase in the valuation of our fiduciary services company MITCO from MUR 169M to MUR 296M, considering their improved profitability, and from our share in Procontact (47.67%), the multi-service contact centre, located in Mauritius, Madagascar and Rodrigues, who had an increase in valuation from MUR 75M to MUR 210M
- The Healthcare cluster: C-Care (reflecting our cumulative stake of 55.8%) is listed on the stock exchange of Mauritius (DEM). The share price of C-Care increased significantly over the financial year ended 30 June 2021, however, with low trading volumes. The investment in C-Care has been valued using the Volume Weighted Average Price ("VWAP") for the financial year ended 30 June 2021 as management considers it is a more appropriate valuation of the Company. The share price as at 30 June 2021 was MUR 19.70 and the VWAP used for valuing the investment was MUR 10.35
- The Property cluster increased its value from MUR 2,200M to MUR 2,968M following a revaluation of the earmarked land for the Ferney Sustainable Development Project, following the receipt of a letter of intent from the Economic Development Board of Mauritius
- The value of the Hotels & Resorts cluster increased on the back of a 25% increase in the share price for SUN Limited from MUR 14.80 at 30 June 2020 to MUR 18.50 at 30 June 2021. SUN is valued at market price plus a 10% premium
- Alteo's market price increased by 70% from MUR 15.20 at 30 June 2020 to MUR 25.80 at 30 June 2021

CIEL Textile

4
Countries

3
Clusters
(Knits, Knitwear, Woven)

19
Production Units

31M
Garments Exported

18,000
Employees

MUR 10,444M
Cluster Revenue
2020: MUR 10,390M

MUR 1,321M
EBITDA
2020: MUR 548M

MUR 627M
Profit after Tax
2020: (MUR 656M)

Operating Context

COVID-19 Impact

- Remarkable rebound of activities since July 2020, mainly in Madagascar & India
- Higher demand for casualwear led by online retail clients
- Good order book at good margins in Knits & Knitwear segments
- Lower demand for formal shirts in Woven segment during lockdown but regaining momentum
- Depreciation of Mauritian rupee has had a positive impact on gross margin
- Margin pressure due to high inflation, increase in prices of raw materials, and logistics costs

Market Dynamics

- Rising demand for sustainable products and multi-product manufacturers (one stop shop) which is favourable to CIEL Textile
- UK opened free trade agreement negotiations with India: positive outlook for Indian operations
- Low vaccination rate in India, Madagascar and Bangladesh posing risk of new lockdowns
- High currency volatility

Key Risks

Operational
- Business continuity and cybercrime
- Succession planning
- Rising labour costs

Market
- Inability to adapt to major market change
- Interest rate hikes

Compliance
- Sustainability compliance
- Outsourcing risk

Financial
- Lack of long-term perspective and cash management risks

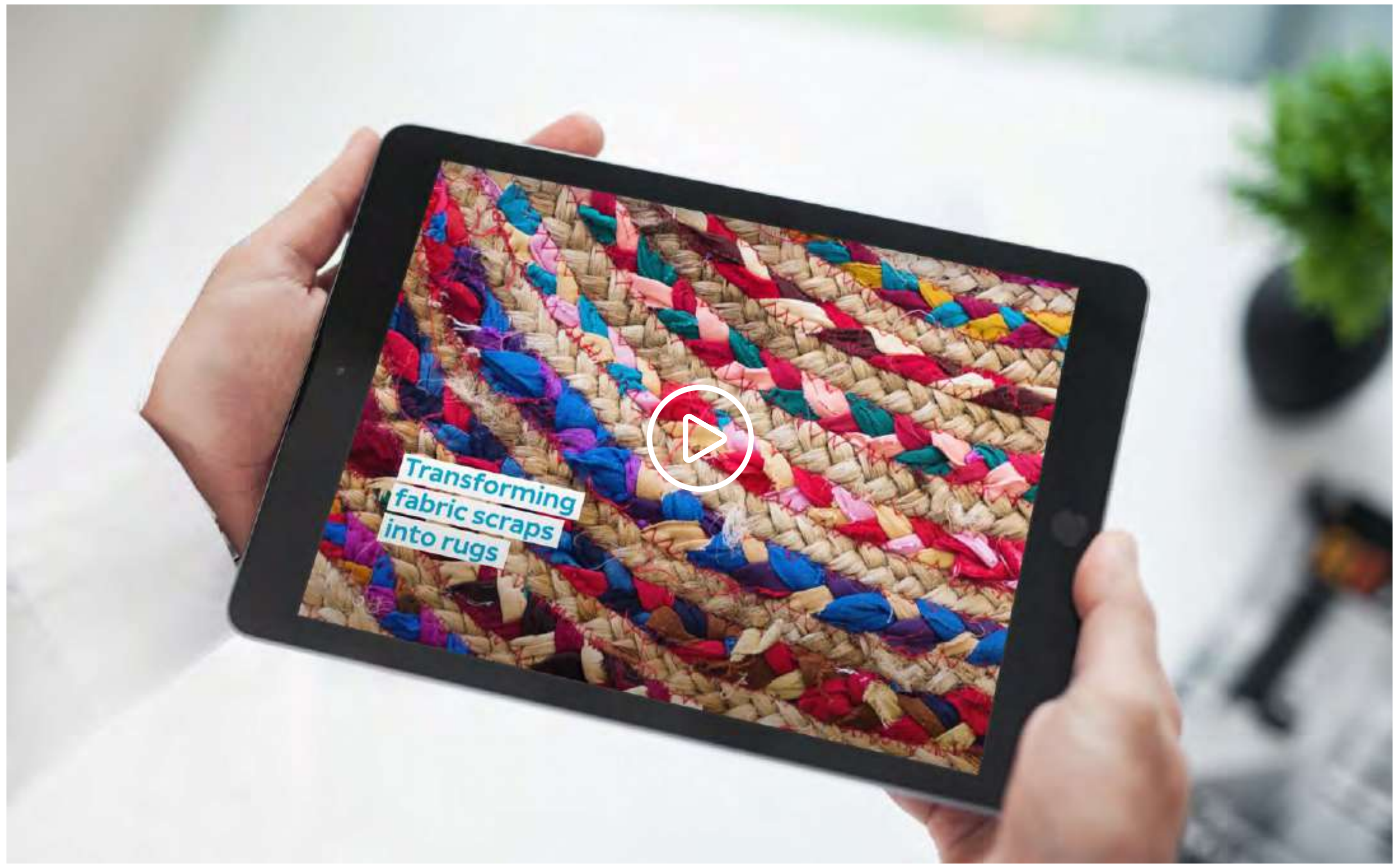
CIEL Textile

Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**

• Gradual opening of UK and USA markets leading to strong demand
• Demand for shirts heading back to pre-Covid levels from main USA customers for Aquarelle and Laguna Mauritius
• Successful rebranding and leveraging on Group's new brand identity, vision, and mission to scale up multi-product offering
• Successful restructuring and cost saving measures to adapt to temporary drop in demand
• Great resilience and innovative adaptations from the team by leveraging on 3D sampling capabilities which has experienced exponential growth since the beginning of the crisis
• First sustainability report launched and developed in accordance with GRI standards providing a transparent overview of the state of the Group's sustainability achievements and progress, while engaging with partners and customers around ESG
• Appointment of key leaders to drive digital transformation, sustainability journey, HR agenda and operational excellence
• Consolidated operations and leadership teams to become leaner and fitter
• Ongoing journey towards operational excellence
	• Pursue strategic vision around:
	  • Sustainability
	  • Digitalisation
	  • Talent Development
	• Attract new business thanks to one stop shop solution
	• Capitalise on geographic positioning in India, and develop Madagascar and Mauritius as a textile hub working in closer alignment for retailers looking to source products beyond China
	• Manage transition toward the strategic partnership with SOCOTA to develop the largest woven fabric mill in the Indian ocean region, opening up significant growth opportunities
	• Capitalise on new brand identity
	• Foster better integration of MOE 361° Leadership Academy within HR processes
	• Launch CIEL Textile Graduate Program in Madagascar
	• Continue the consolidation of operations and teams to become leaner and fitter
	• Implement a solid succession plan process across the group

How we #GoBeyond to Explore. Adapt. Innovate.

CIEL Textile – Transforming fabric scrap into rug mats



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CIEL Finance

MUR 3,782M
Cluster Revenue
2020: MUR 3,462M

MUR 1,349M
EBITDA
2020: MUR 1,289M

MUR 608M
Profit after Tax
2020: MUR 501M

5
Countries

2
Banks

1
Portfolio Management & Mutual Funds Company

1
Fiduciary & Corporate Services Company

1
Private Equity Firm

1
Stockbroking Company

1,600
Employees

Operating Context

COVID-19 Impact

- Resilient performance although results were impacted by a slowdown in economic activities and lower deployment opportunities in banking operations
- Strength of the banking operations evident despite difficult economic climate
- Increased adoption rate of digital solutions
- Vulnerability of the Mauritian market owing to uncertainty around domestic borders reopening

Market Dynamics

- Opportunities in the market for data analytics & Fintech
- Major global banks have de-risked the African markets
- Stock market volatility impacting wealth management activities
- Uncertainty around timing of the removal from the FATF grey list and EU & UK blacklists

Key Risks

Strategic
The inability to attract new clients or substantial reduction in activity levels due to unforeseen circumstances in the environment (e.g. global health crisis, EU blacklisting).

Operational
Loss from fraud and criminal activity or caused by human error and inadequate internal processes and systems.

Cyber
Breach of IT security resulting in adverse effect on confidentiality, availability of services, or integrity of information.

Credit
Financial loss resulting from borrowers failing to fulfil their financial or contractual obligations.

Investment
Loss from adverse changes in fair value of an investment in a company, fund, or any financial instrument.

CIEL Finance

Performance & Strategy

Progress Report for FY21	Priorities for FY22

CIEL Finance
- Resilient performance although results are impacted by slowdown in economic activities
- Onboarded a new CEO in March 2021, working on CIEL Finance strategy and business plan
- Launch of the CIEL Finance Innovation Awards to instill an innovative culture within the cluster to ensure the deployment of innovative products and solutions
	CIEL Finance
	- Launch new strategy and business plan for CIEL Finance
	- Accelerate digital journey and data exploitation by:
	  • Leveraging on CIEL Data Services
	  • Achieving operational excellence in critical processes
	  • Enhancing the customer experience

Bank One
- Onboarded a new COO in September 2020 as well as key members of the executive team
- Creation of new positions to accelerate progress on the digital roadmap
- Re-engineered the retail division into three sub-segments: Elite, Mass Retail and SME Banking
- Developed innovative, value-adding solutions such as cashback on credit cards, contactless feature on all payment cards and a 'digital desk' in each branch to foster the use of electronic channels by clients
- Launch of the new ONE Alliance club, where cardholders can receive exclusive discounts on entertainment-related activities
	Bank One
	- Lead the e-commerce disruption on the domestic market by deploying alternative payment solutions such as the newly launched 'POP' application
	- Execute a double leap on the digital journey:
	  • Bridge the gap on basic internet and mobile services
	  • Build a competitive edge in certain segments
	  • Adopt more agile methodologies
	- Consolidate sub-Saharan corporate strategy

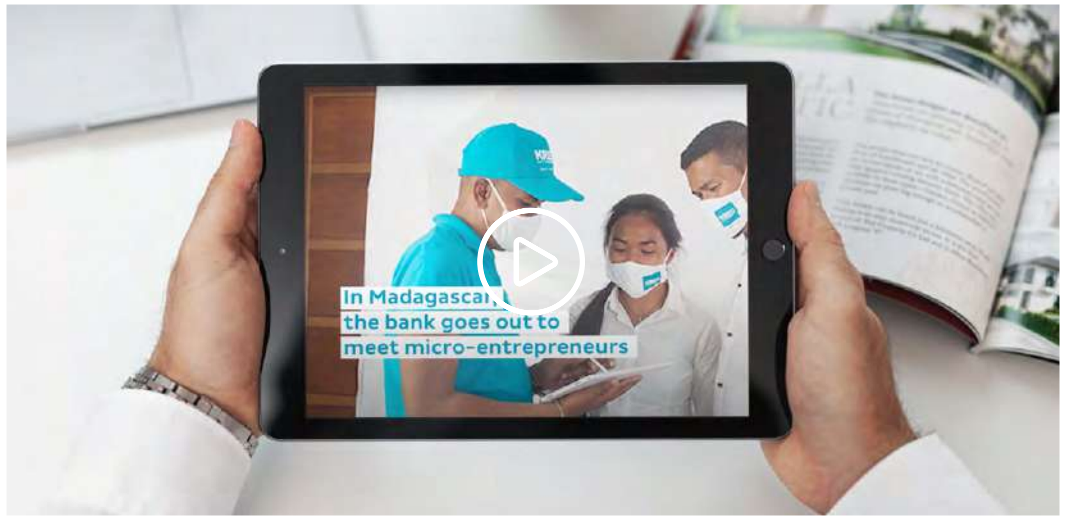
BNI MADAGASCAR - Healthy loan book growth - Strong progress on digital banking front - Number 1 position maintained for the corporate segment, whilst the bank has gained significant market share on the retail front - Completion of the "CAP Leader 2020" strategy – with the bank now the leader in terms of branch network, largest market share in loans and advances, largest number of clients and number two in terms of profitability and deposits	**BNI MADAGASCAR** - Launch "Grow Better" strategy - Consolidate leadership position while increasing focus on retail banking and digitalisation of services - Grow SME markets

Performance & Strategy

Progress Report for FY21	Priorities for FY22
MITCO - Onboarded a new CEO in December 2020 - Diversification of service offering to counteract the consequences of Mauritius being on the FATF grey list and EU & UK blacklists with launch of MitConsult which focuses on offering tailor-made compliance and regulatory services - Developed innovative marketing and sales strategies to overcome the challenge of border closures	**MITCO** - Grow in new markets: Dubai and China - Target for excellence in customer experience - Develop new products and services as per clients' needs
IPRO - Revised strategy implemented but effects of the pandemic have impacted the growth of the portfolios, including the size of IPRO Growth Fund - Substantial progress in digitising several critical processes - Launch of a new global equity fund, geared towards IPRO's private and pension fund client base	**IPRO** - Leverage on client synergies with BNI and Bank One
Kibo Capital Partners / Kibo Funds - Sale of one of the last investments of Kibo I	**Kibo Capital Partners / Kibo Funds** - Launch Kibo Fund III

How we #GoBeyond to Explore. Adapt. Innovate.

BNI Madagascar – Pioneering mobile microfinance in Madagascar



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CIEL Healthcare

2 Countries

3 Hospitals

20 Clinics

2 Main Laboratories

26 Lab Collection Points
(8 in Mauritius and 18 in Uganda)

2,000 Employees

MUR 2,995M	MUR 584M	MUR 296M
Cluster Revenue	**EBITDA**	**Profit after Tax**
2020: MUR 2,376M	2020: MUR 338M	2020: (MUR 96M)

Operating Context

COVID-19 Impact

- Increased activities at clinics and laboratories due to PCR testing and closure of borders in Mauritius

Market Dynamics

- C-Care benefitted from patients unable to travel for treatment overseas
- Currency devaluation leading to higher cost of drugs and consumables
- Lack of qualified nurses worldwide
- Increased competition in Mauritian market

Key Risks

Strategic

- Patients' ability to pay for quality private healthcare in the countries where we operate
- New market entrants
- COVID-19 risk management

Financial

- Impact of COVID-19 on Ugandan operations
- Credit default risk
- Lack of qualified clinical staff in Mauritius

Reputational

- Patient complaints and legal action

Cyber

- Electronic health records increasingly exposed to cyber risks

Operational

- Lack of training and talent development

CIEL Healthcare

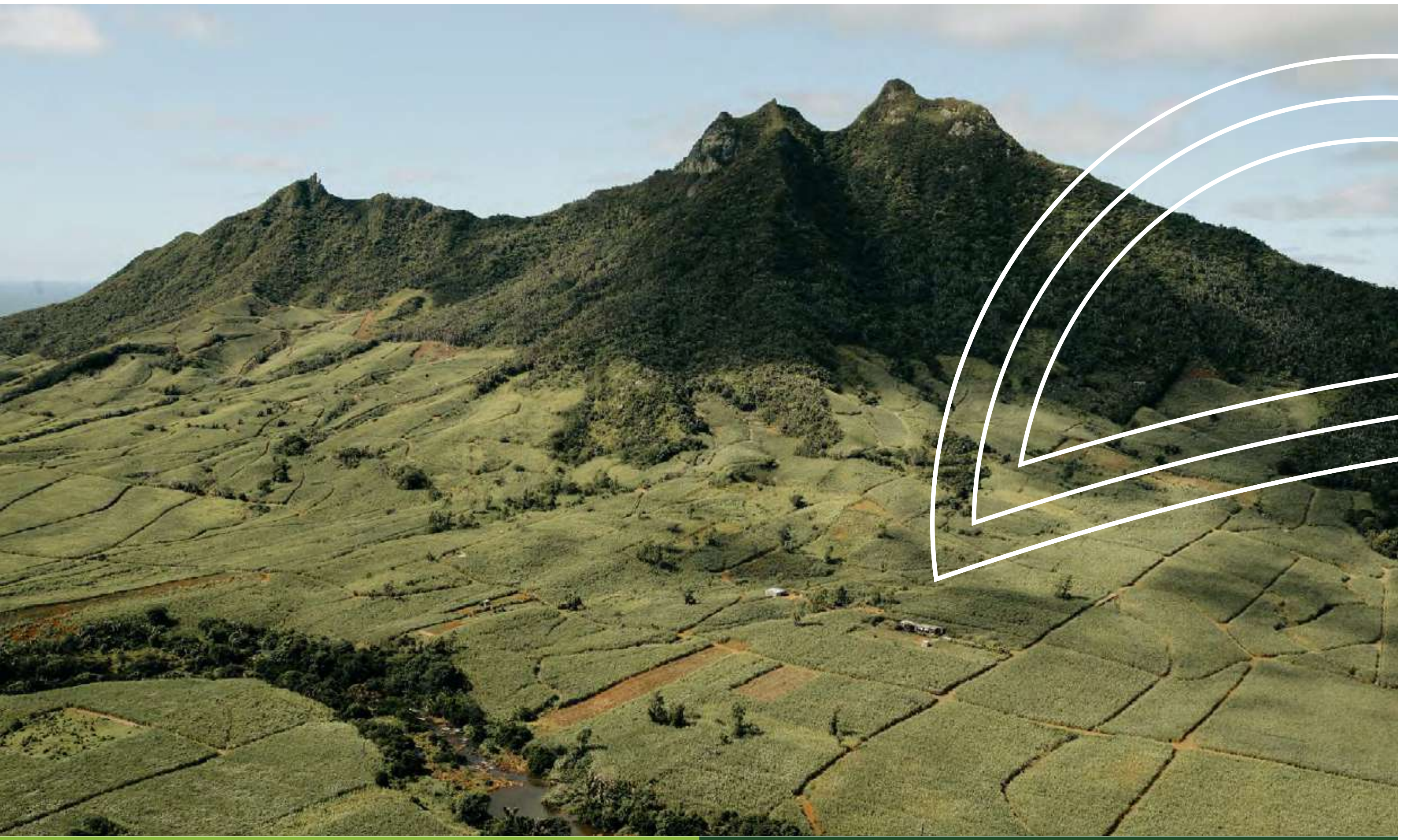
Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**
CIEL Healthcare - Significant growth trajectory with profits driven mostly by C-Care's operations	**CIEL Healthcare** - Maintain profitability levels
C-Care - Exceptional performance of C-Care – increased bed capacity and lab activity - Participated in national vaccination program - Launch of C-Care Clinic in the west of the island in August 2020 - Improved performance mainly due to significantly lower impact of the FY 2021 lockdown compared to FY 2020 lockdown - Ongoing extension of Clinique Darné and investment in new MRI equipment - Embarked on projects for new oncology ward, isolation ward and room layout at Wellkin Hospital	**C-Care** - Consolidate C-Care brand equity - Clinique Darné extension and oncology unit project - Pursue C-Care Clinic project at Mont Choisy - Accelerate digital journey and leverage business intelligence tools to drive efficiencies - Continue to focus on patient care and quality across operations - Continue to improve clinical and non-clinical procedures in view of Comprehensive Health Knowledge System (CHKS) certification for C-Care - Launch nursing school in partnership with Charles Telfair Institute
IMG (Uganda) - Exited from health membership organisation (HMO) business	**IMG** - Drive occupancy and asset utilisation - In-house laboratory operations
Hygeia (Nigeria) - Exit from hospital and insurance business	**Hygeia (Nigeria)** - Complete exit from hospital and insurance business

How we #GoBeyond to Explore. Adapt. Innovate.

C-Care – Supporting nurses through a holistic strategy

Click on image to access video

CIEL Properties



MUR 103 M
Cluster Revenue
2020: MUR 113M

MUR 2 M
EBITDA
2020: MUR 30M

MUR 913 M
Profit after Tax
2020: MUR 154M

3,200
Hectares of Land in Ferney

100
Hectares of Nature Reserve

MUR 4.2 BN
Assets under Management

6
Level Building In Ebène

70
Employees

Operating Context

COVID-19 Impact

- Closing of all hospitality activities at Ferney due to sanitary restrictions and closed borders
- Limited impact on property development – project development stage

Market Dynamics

- Growing demand for sustainable agriculture in Mauritius
- Growing market for eco-tourism and sustainable offering
- Demand for high-end property market in Mauritius
- New government incentives to attract foreign investment through property acquisition
- Market visibility on post covid trends remains a challenge

Key Risks

Property Development

- Priority projects deferred due to unfavourable market conditions and availability of project finance

Property Management

- Tenants' defaulting on obligations due to bankruptcies
- Loss of revenue from falling rental rates or reduced leased areas
- Loss of customers from international tourism

Ferney Ltd

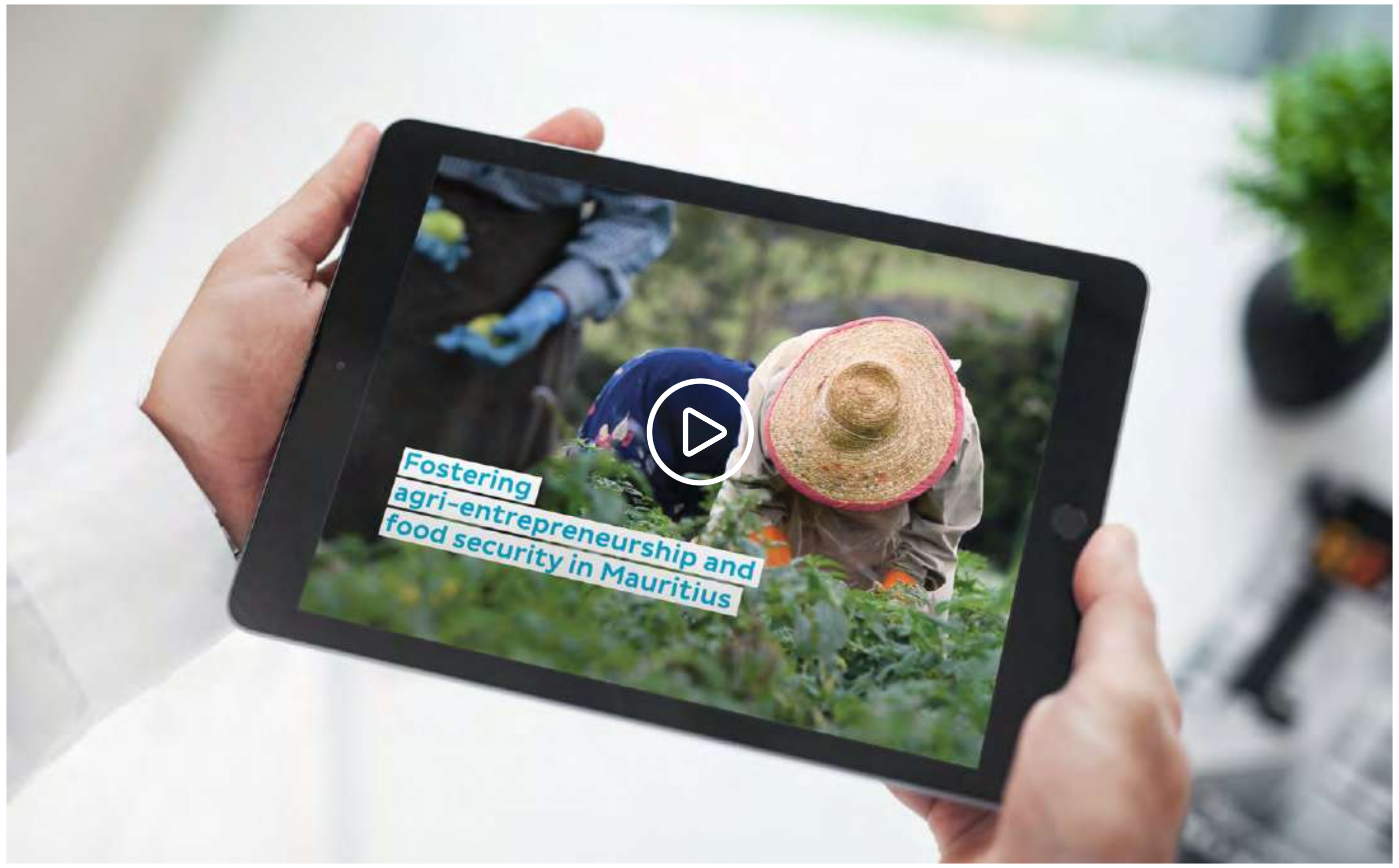
- Reduction in revenues due to a drop in tourist arrivals

CIEL Properties

Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**
• Ferney restaurant and lodge impacted by sanitary restrictions and closure of borders • Received letter of intent for Ferney sustainable development project under smart city scheme • Appointment of international team of consultants for master planning, renewable energy and sustainability strategy and brand positioning for Ferney • Launch of Phase 1 of Ferney Agri-Hub successful with 100% of plots rented • Sale of non-strategic land on the east coast of the island	• Finalise Ferney sustainable development project master plan and accelerate the development of phase 1 subject to receiving Ferney Smart City Certificate • Launch of phase 2 of Ferney Agri-Hub with the hosting of international accelerator for agri-tech developments • Continue developing hospitality offering in Ferney with new products and experiences • Consolidate non-core industrial properties of the Group into a stand-alone new property vehicle • Support CIEL clusters in creating value around non-yielding property assets

How we #GoBeyond to Explore. Adapt. Innovate.

Ferney Agri-Hub - Fostering agri-entrepreneurship and food security in Mauritius



Click on image to access video

CIEL Hotels & Resorts

MUR 528 M
Cluster Revenue
2020: MUR 4,635M

(MUR 554 M)
EBITDA
2020: MUR 923M

(MUR 2,145 M)
(Loss) after Tax
2020: (MUR 1,849M)

7
Owned & Managed Properties in the Indian Ocean

2
Tour Operators

+1,450
Rooms

2,800
Employees (Approx.)

Operating Context

COVID-19 Impact

- Most severe crisis in history with unprecedented impact on the hospitality, travel and tourism sectors
- All resorts and related business units' operations suspended or maintained limited operations with marginal revenue generation (quarantine and local market only) due to border closure
- Government provided financing facilities through the Wage Assistance Scheme and Mauritius Investment Corporation

Market Dynamics

- Growing confidence in travelling due to vaccination progress and continued sanitary protocols as countries open borders with less restrictions
- New business models and opportunities due to the evolution in travellers' expectations: looking for more eco-tourism and wellness experiences
- Acceleration of digitalisation to enforce sanitary protocol
- Uncertainty around air access to and from source markets
- Uncertainty around customer behaviour and demand post-crisis

Key Risks

Strategic

- Global economic uncertainties in the wake of the COVID-19 pandemic
- Lower demand for long haul destinations arising from the post effect of COVID-19
- Major disease outbreaks in tourism destinations in which SUN operates
- Financial collapse of major trade partners

Financial

- Long-term air access closure resulting in short-term cash flow crisis and financial loss
- Constraints related to possible new lockdowns and border closures
- Major credit risk resulting from the bankruptcy of major tour operators

Compliance/Reputation

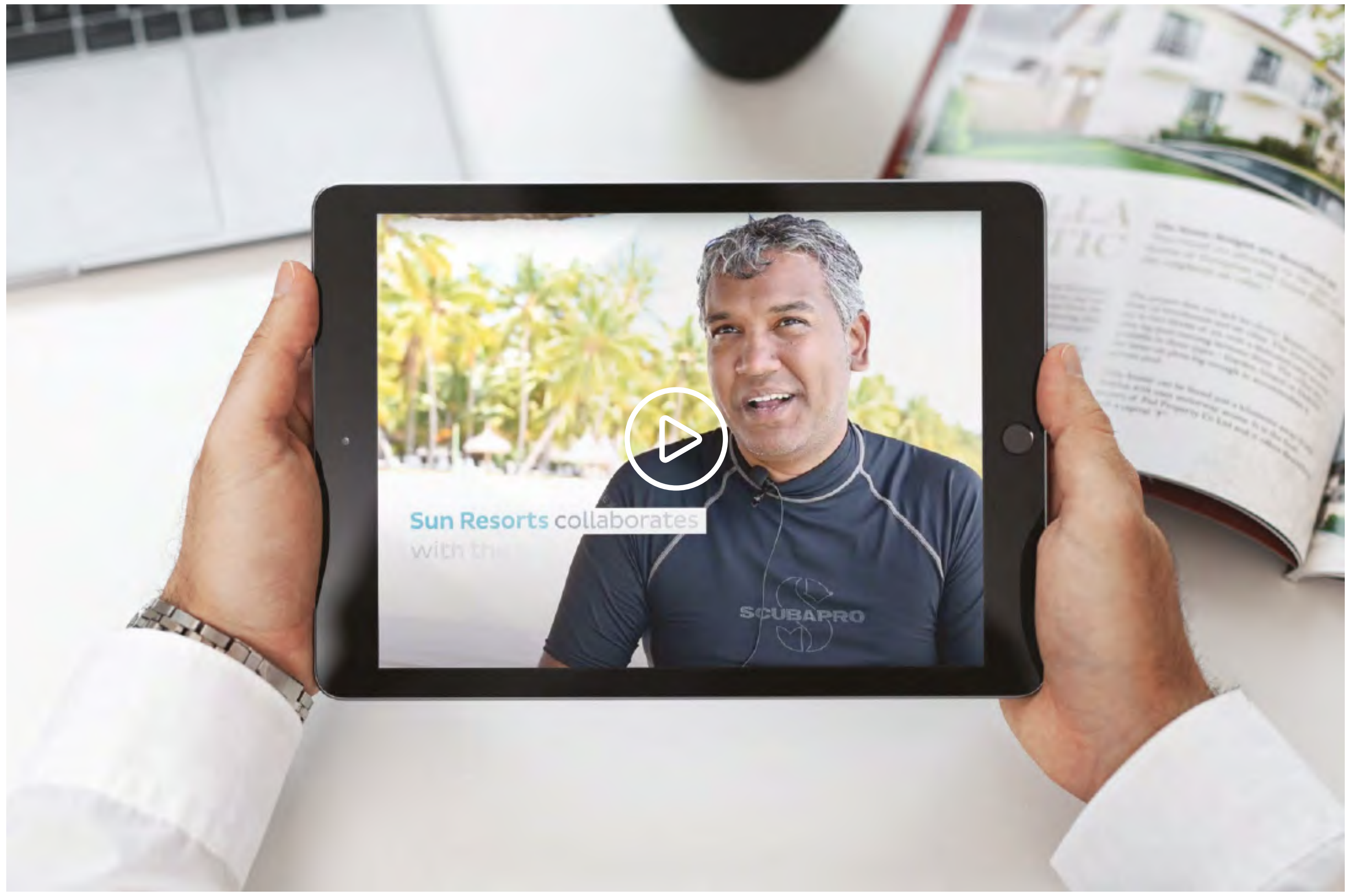
- Failure to ensure guest or associates' health, safety and security

CIEL Hotels & Resorts

Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**
• 3-year plan established to restore profitability and regain leadership • Substantial cost reductions made to improve margins and fixed cost base • Sale of Kanuhura Hotel in Maldives (May 2021) as part of strategy to refocus resources and energy on the enhancement and development of offers and products in Mauritius • Mauritius Investment Corporation's financial assistance allowed SUN group to reduce its indebtedness and consolidate its financial structure in this challenging environment • Partial reopening of resorts for quarantine and local market driving marginal revenue • Ongoing repositioning of SUN for a leaner, agile and more resilient organisation • New income-generating initiatives launched with an enhanced Sales & Marketing strategy and team, to better address the new realities and requirements of customers	• Relaunch of all hotels and resorts as borders open on 1 October 2021 • Repositioning of SUN through strategic exercise and enhanced customer experiences • Continue to transform SUN into a lean, agile and highly digitalised organisation in order to achieve productivity and efficiency gains • Leverage on new concepts and new consumer behaviours and habits to generate revenues and differentiate SUN Resorts' hotels • Pursue real estate development opportunities • Accelerate sustainability and inclusiveness journey

How we #GoBeyond to Explore. Adapt. Innovate.

Sun Marine Conservation Center - Regenerating marine biodiversity through coral farming



Click on image to access video

CIEL Agro

3
Countries

3
Power Plants

3
Sugar Factories

5,858
Employees (Approx.)

MUR 244 M

CIEL Share of Associate (Alteo Limited – 20.96%)
2020: MUR (23 M)

Operating Context

COVID-19 Impact

- No impact on sugar operations
- Complete closure of the Mauritian borders severely impacted the local tourism industry, more specifically Anahita Golf & Spa Resort and Anahita Golf Club, both highly dependent on neighbouring hotels

Market Dynamics

- Depreciation of Mauritian rupee benefitted sugar exports
- Mauritian sugar industry profited from price recoveries in Europe
- Adoption of the Biomass Framework in Mauritius, enabled clear remuneration of bagasse
- Better market stability in Tanzania led to higher prices on the local market

Key Risks

Strategic

- Global sugar market conditions and sugar price volatility affecting performance
- Unfavourable government policy decisions (market and industry regulation)

Cost competitiveness

- Cost pressures impacting the sugar cluster's performance as a going concern
- Underutilisation of milling capacities due to reduced supply of cane

Agility

- Ability to attract and retain management competencies to support business development objectives
- Breakdown of major industrial assets

Financial

- Foreign exchange risk

Compliance – Health & Safety

- Compliance with safety regulations and labour/ environmental laws and regulations

CIEL Agro

Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**
Mauritius • Leaner and more agile operations: reorganisation and mechanisation of harvest • Strategic closure of refinery operation • Ongoing research and development initiatives regarding alternative sources of biomass and food production • Increased power generated from bagasse and cane trash exported to the grid as well as better efficiencies for energy cluster • Delayed sales at Anahita due to current context	**Mauritius** • Continue mechanisation of agricultural activities and factory automation strategy • Create additional value through the optimal use of sugar cane by-products, namely bagasse and cane trash, for power generation and further diversification into renewable energy sources • Diversify agricultural efforts, with an intensive deer farming project, adding a third poultry farm, and increasing the production of potatoes and tomatoes for the Mauritian market • Focus on premium or special sugars to capture new markets in countries such as China and India • Rebranding and restructuring of the property cluster • Complete the development of the northern parcel of Anahita • Sale of non-strategic and abandoned cane land • Continue developing the coastal area in the east of the island through new projects
Tanzania • Combined impact of a significant volume increase and an increase in retail prices led to substantial growth for Tanzanian operations	**Tanzania** • Optimise the land bank and grow an additional area under cane within two years • Continuous development of biomass production on site to increase electricity production for the grid • Proactive management of pervasive pests such as the Yellow Sugarcane Aphid • Implementation of a holistic drainage master plan over the estate

Performance & Strategy	
Progress Report for FY21	**Priorities for FY22**
Kenya • Good yields due to favorable climatic conditions, and a successful outreach strategy with small planters • Ongoing efforts to increase cane growing areas, currently reaching 15,500 hectares • Preliminary studies launched for the development of a 100% bagasse-fueled power plant	**Kenya** • Maintain support for cane development for out-growers and improve factory reliability • Progress on cogeneration project to diversify revenues

How we #GoBeyond to Explore. Adapt. Innovate.

Anahita – Transforming green waste into compost

Click on image to access video

OUR ESG FOCUS

“

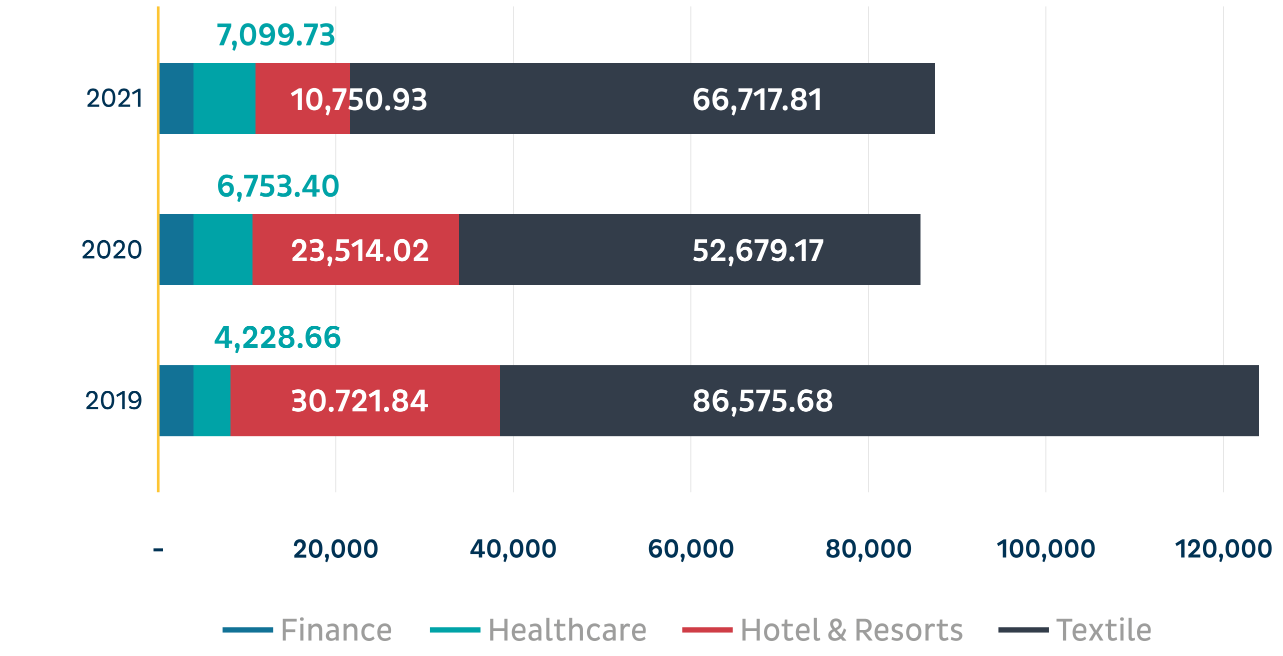
We consistently pursue good governance and risk management intertwined with key environmental and social targets.

– P. Arnaud Dalais

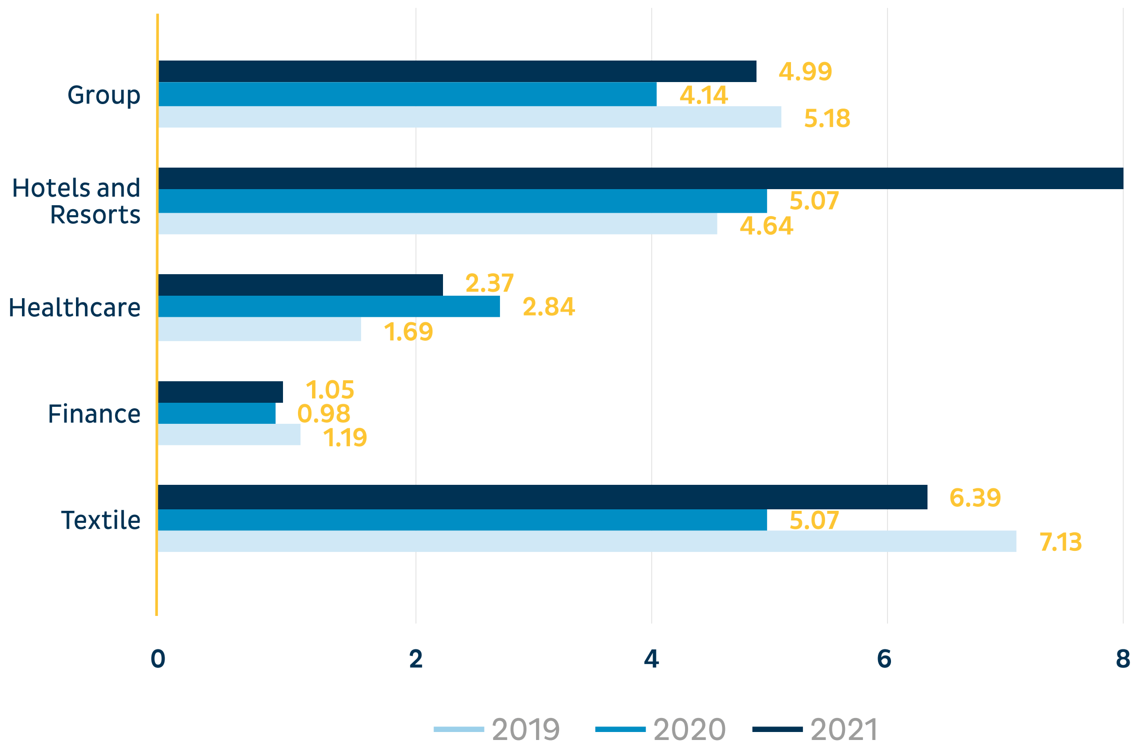
Environmental – Activate Climate Response

Energy & Carbon

Emissions per Cluster – tCO_2eq



Carbon Intensity (tCO_2e/m MUR)



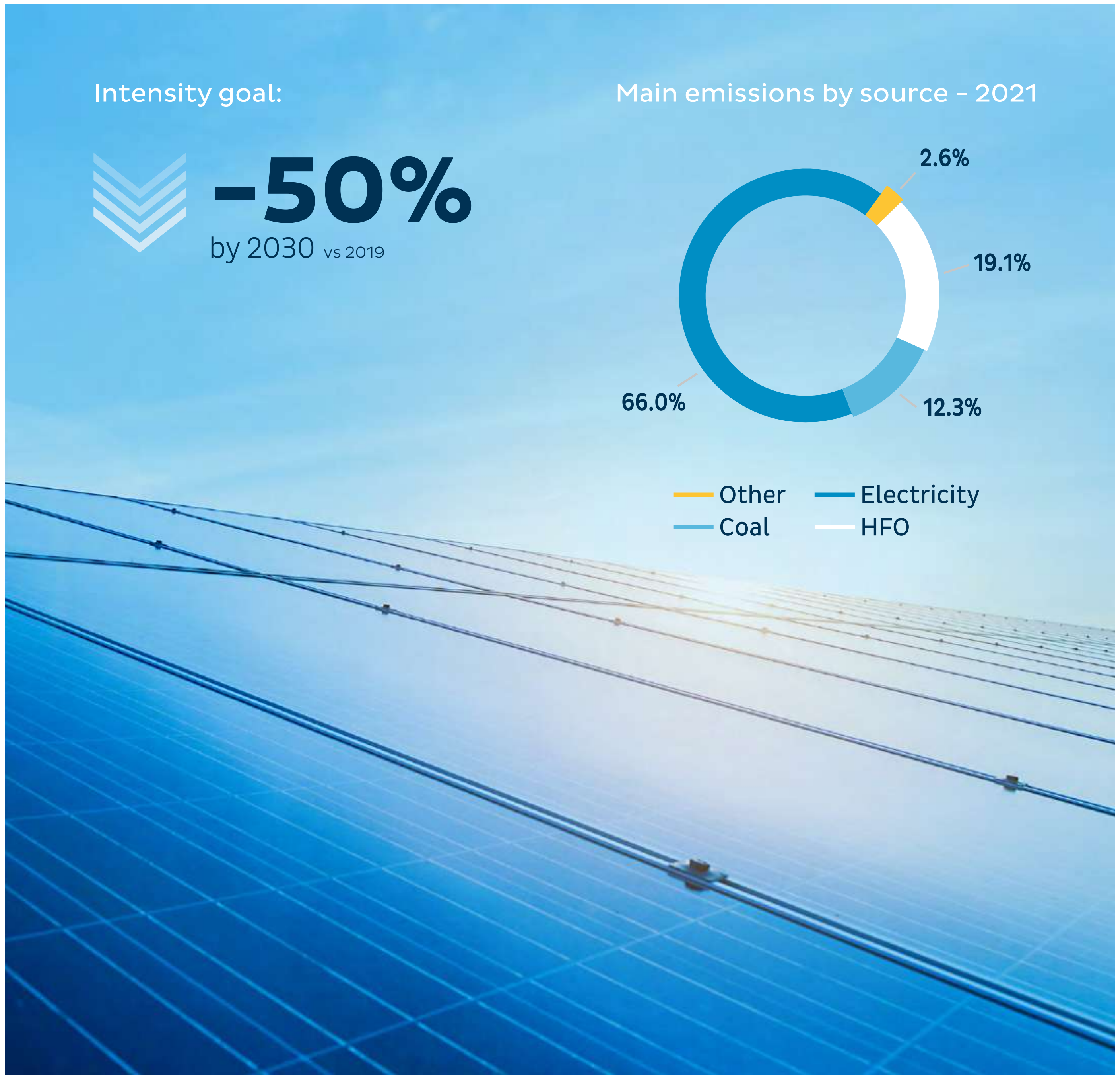
Energy & Carbon

In absolute terms, our carbon footprint (total emissions) increased slightly compared to 2020 levels due to a 27% increase in Textile (owing to revived production after a sharp drop in 2020), somewhat mitigated by a further reduction in Hotels & Resorts.

In relative terms, carbon intensity (the ratio of carbon footprint to financial revenue) decreased by 3.7% overall compared to 2019, which shows that emissions are still highly coupled with revenue. The Hotels & Resorts value is off the chart at 20.4, due to the near absence of revenue caused by the pandemic, while emissions from basic maintenance and operations could not be entirely avoided.

To achieve the goal of reducing carbon intensity by 50% by 2030, we must adopt aggressive energy efficiency measures, as well as renewables to replace fossil fuels.

View assumptions and revisions on page 88.

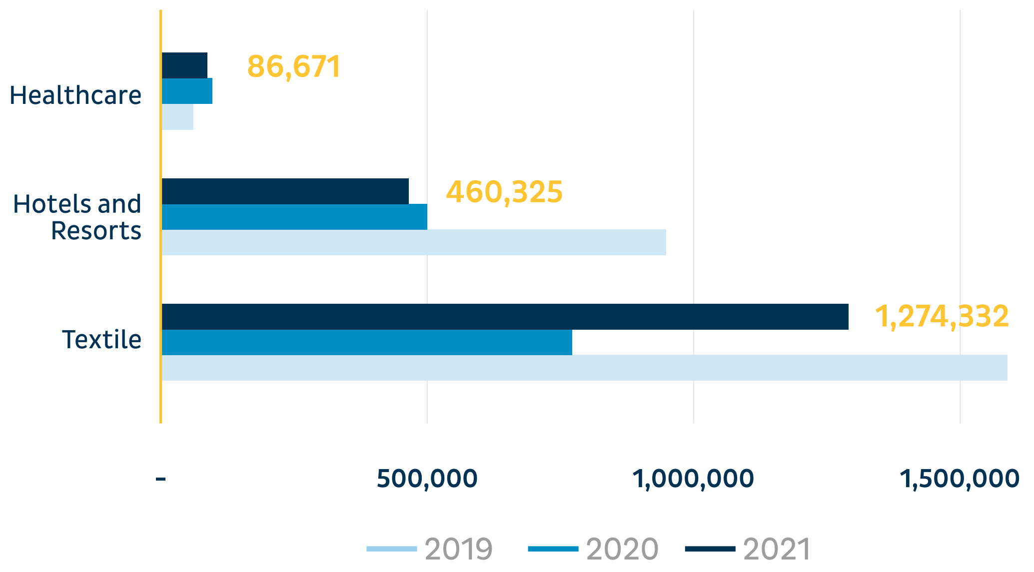


Environmental – Activate Climate Response

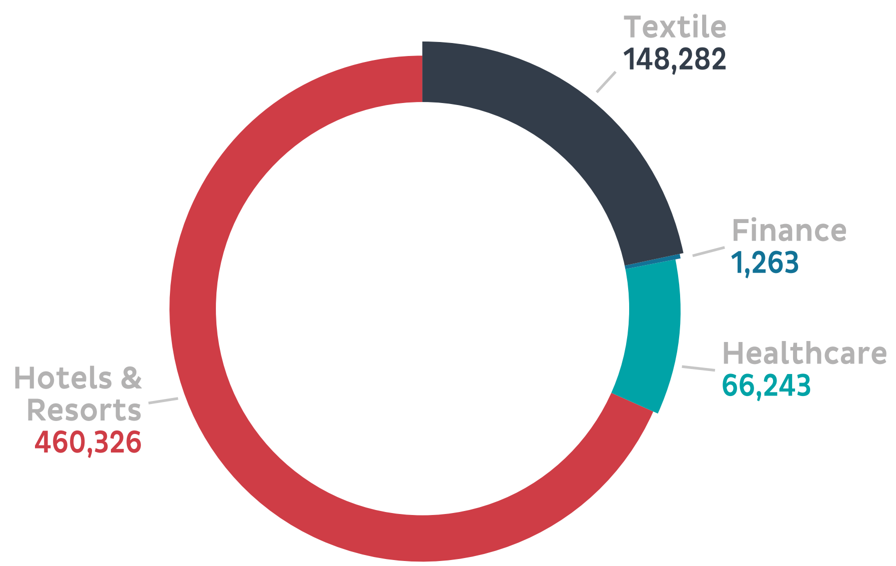
Value Chains: Water

Water consumption remained stable in the Healthcare cluster, continued to drop in Hotels & Resorts, and increased again in Textile, although it remains lower than the 2019 baseline. Water consumption in the Finance and Properties clusters remain immaterial and are, as a result, not reported here.

Total Water Consumption (m^3)



Potable Water Consumption (m^3)



Value Chains: Suppliers & Waste

To date, clusters are implementing supplier assessments on sustainability/ESG, relevant to their industries at various levels. With supply chain traceability being increasingly important to customers, we anticipate a higher flow of information on this topic in the coming years. CIEL Textile has assessed 56% of its suppliers, while CIEL Finance assessed 11%. Such assessments are currently challenging in the Healthcare sector, while CIEL Hotels & Resorts data was not reported due to significant COVID-19 disruption and potential re-shaping of its supplier base.

Regarding waste, data verification was still being carried out at time of writing. Please visit our website in the coming weeks for more information. None-the-less, we are pleased to highlight the efforts of factories sending zero waste to landfills this financial year.

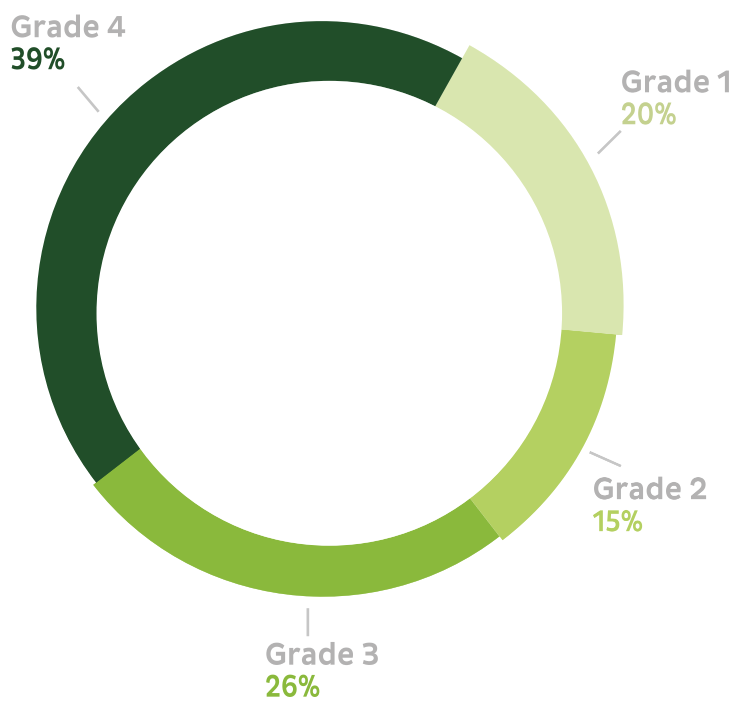
Environmental – Activate Climate Response

Conservation & Regeneration

Our flagship conservation project in the Ferney Valley is preparing to ramp up capacity with a new nursery in the Ferney gardens, aimed at populating a new conservation zone on the coastline near Falaise Rouge. Ferney has also undertaken a full survey of its natural assets – terrestrial, riparian, and coastal ecosystems – which resulted in a categorisation of our forests in terms of habitat quality and indigenous flora content as shown below. This will enable a better prioritisation of forest restoration efforts going forward, to maximize our impact on biodiversity and the Bambous Range ecosystem in the Southeast of Mauritius.

Forest grade	% Native Species	Total Areas (Ha)
Grade 1	> 70%	325.59
Grade 2	50% to 70%	233.52
Grade 3	20% to 50%	408.85
Grade 4	< 20%	625.31

Ferney Forests – Total 1775 Ha



The vegetation is graded according to the methodology from Wayne Pages and Gabriel d'Argent (A vegetation survey of Mauritius to identify priority rainforest areas for conservation management, 1997).

The grading here depicts the evolution of invasive species on a forest area

Habitat restoration in Ferney

- 33,800 trees planted in the conservation zone since 2008
- 1,142 trees planted in FY 2021
- 13 Ha restored as of June 2021
- 37 plant varieties currently in nursery
- 18 critically endangered species present in our forests
- 43 endangered species present in our forests

Fauna present in Ferney

- 13 breeding pairs of Kestrels (endangered species)
- 15 Kestrel chicks fledged in 2020/2021
- 40 Echo Parakeets (vulnerable species)
- 42 Pink Pigeons (vulnerable species)
- Population of over 10,000 Greater Mascarene Flying Fox (Fruit Bats) (endangered species)
- Cuckoo shrikes & Paradise Flycatchers sighted

Environmental – Activate Climate Response

Sustainability Data: Assumptions, Revisions, and Interpretation

(Annex page – reference made in "Activate Climate Response".

Scope

Foster a Vibrant Workforce:

In terms of employee numbers, gender balance, and learning and development, this section considers all CIEL clusters, including investee company Alteo.

Champion Inclusive Growth:

This section covers community empowerment extensively for the CIEL Foundation and CIEL clusters, excluding Alteo and CIEL Properties, a new cluster working in close collaboration with the Foundation. Local economy aspects are currently not covered as defined by the sustainability strategy, due to data considered unreliable for Healthcare and the absence of data for Hotels & Resorts this financial year. Local sourcing of food and beverage is however considered material for these clusters and will require attention in the next financial year.

Activate Climate Response:

Under this pillar, we consider the impacts of four clusters, namely Textile, Finance, Healthcare and Hotels & Resorts, same as for the Champion Inclusive Growth pillar. In the Finance cluster, this covers the BNI MADAGASCAR and Bank One head offices only. In the Healthcare cluster, small clinics are not included – we therefore focus on Wellkin Hospital and Clinique Darné for C-Care, and International Hospital Kampala for IMG. In Hotels & Resorts, we consider the four main hotels in Mauritius, namely Ambre, La Pirogue, Long Beach, and Sugar Beach. For Textile, all operational sites are included. CIEL Properties as a new cluster with limited and small operations that are in some cases still taking shape, will begin data collection and sustainability reporting in the next financial year.

Energy & Carbon

Baseline:

Our baseline calculations are reviewed every year to include emission factors and data that was not previously available. For example, the 2017 grid emission factor for Madagascar was obtained this financial year. While the real figure might have changed since 2017, we consider this value to be more accurate than the world average or the African average grid emission factor and apply it to our calculations for all financial years since FY 2019.

Further to this, CIEL Textile has implemented the UL 360 data gathering and reporting platform this financial year and has been feeding this system with sustainability data from previous years. This will allow a further refining of our baseline calculations.

Consistency of Analysis for Reliable Insight:

While we are continually striving to improve, we are satisfied with the consistency of our method and the insights provided by our analysis, namely that our emissions and revenue remain highly coupled, and that we must continue to implement mitigation measures.

Progress Towards our Goals:

In the Textile cluster, Tropic Knits is in the financing stage for a 1MW solar installation in Mauritius, and the move of CFL to Madagascar will cause us to abandon coal as boiler fuel well ahead of 2030. Various facilities in Textile and Healthcare are implementing advanced energy monitoring and efficiency control systems, which will also be considered in other clusters.

Key Assumptions:

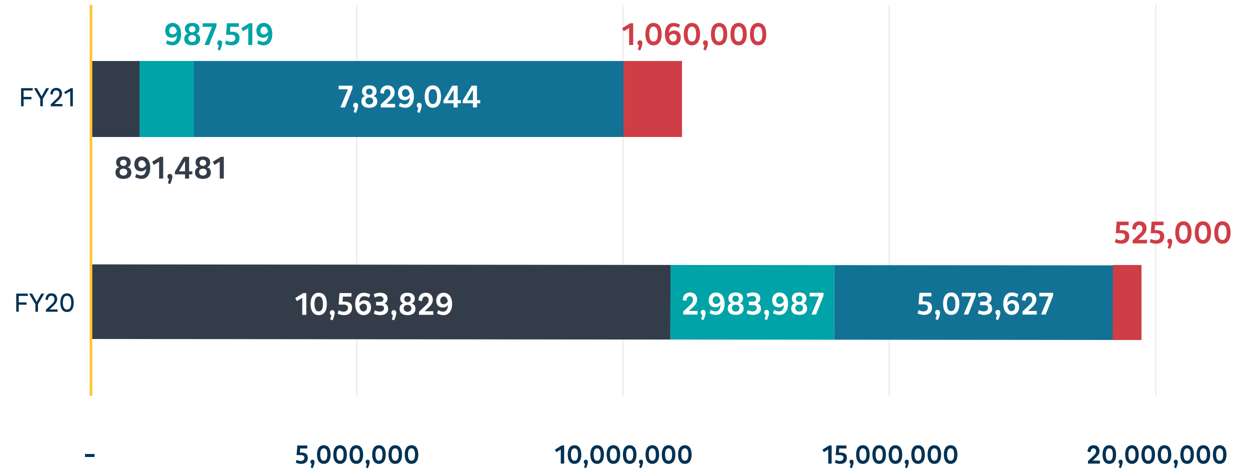
Our current accounting method does not include the burning of wood - assumed as carbon neutral as per the GHG Protocol, however we are yet to ascertain under which circumstances wood is being renewed and if it can indeed be considered carbon neutral. Emissions from burning brickets (made of materials such as waste carton and fabric) are not accounted due to low volume and unknown emission factor. Scope 3 emissions are not yet considered, though a pilot project has been initiated to build capacity on the methodology, which will also enable the setting of science-based climate targets.

Social – Champion Inclusive Growth

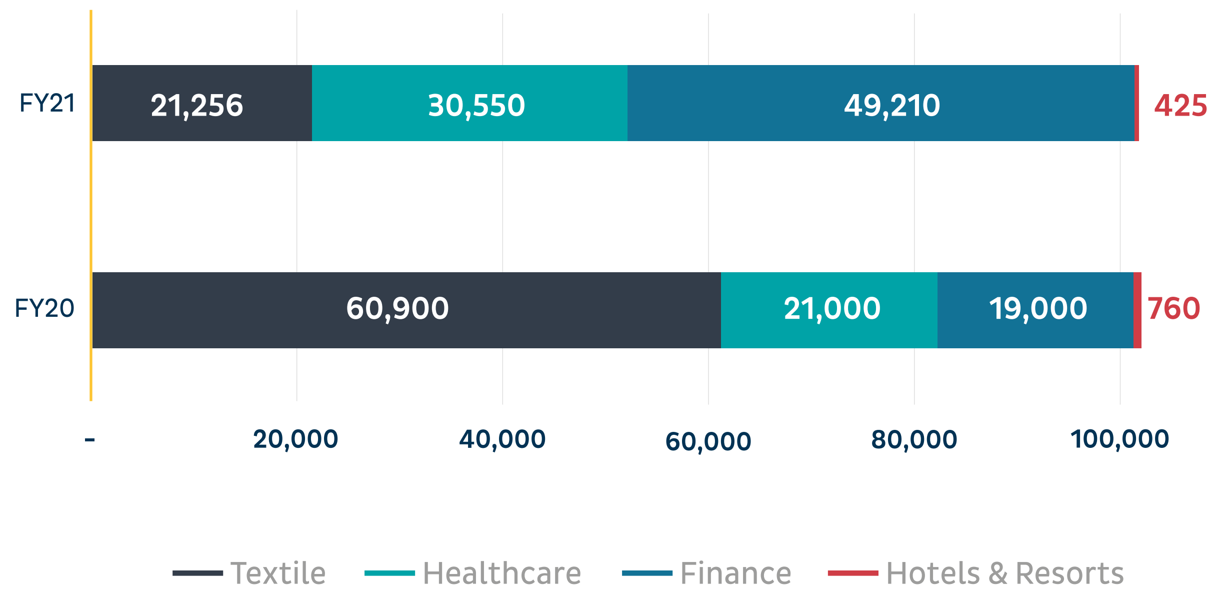
Community Empowerment – CSR by Clusters

CSR funding was directly impacted by the pandemic for most clusters, with priority given to preserving jobs and ensuring salaries of the workforce. Clusters were, however, able to contribute "in kind" through various initiatives and reached a total number of beneficiaries close to that of FY 2020.

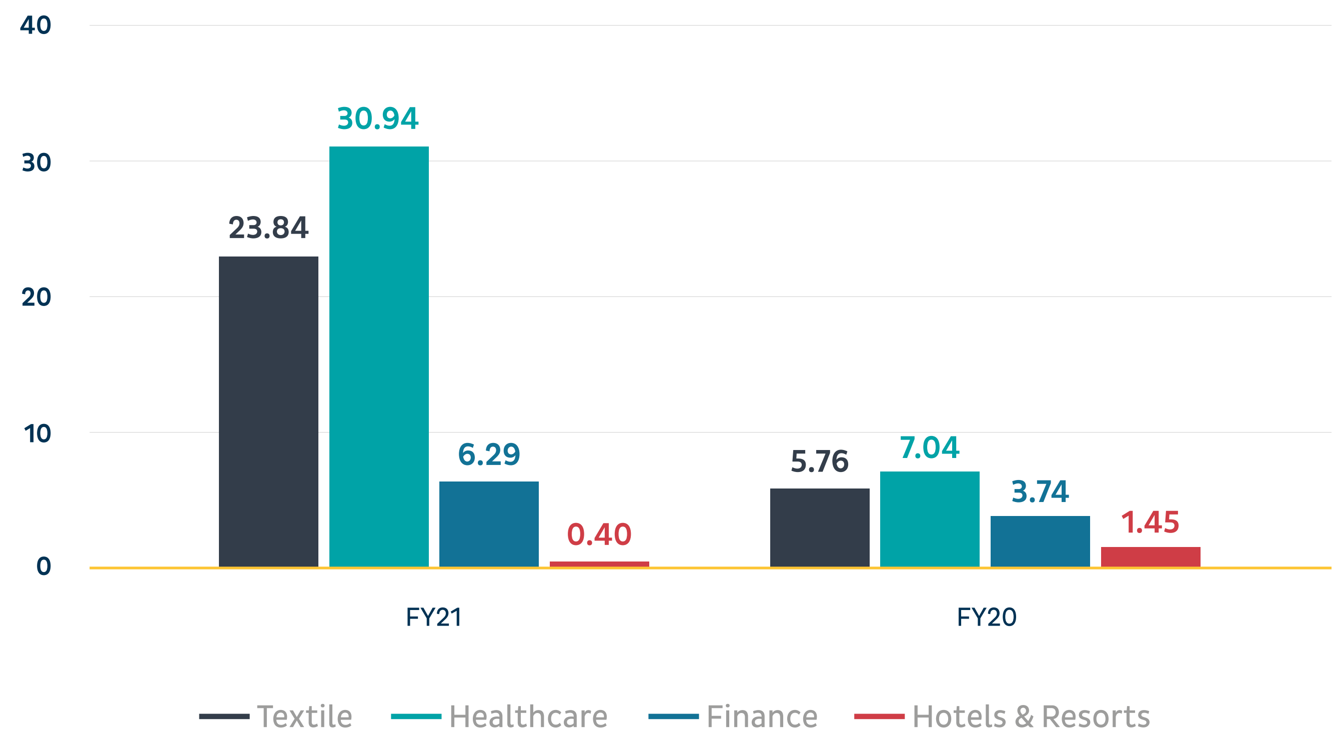
Funding per Cluster (MUR)



Total No. of Beneficiaries per Cluster



Beneficiaries per MUR 1000



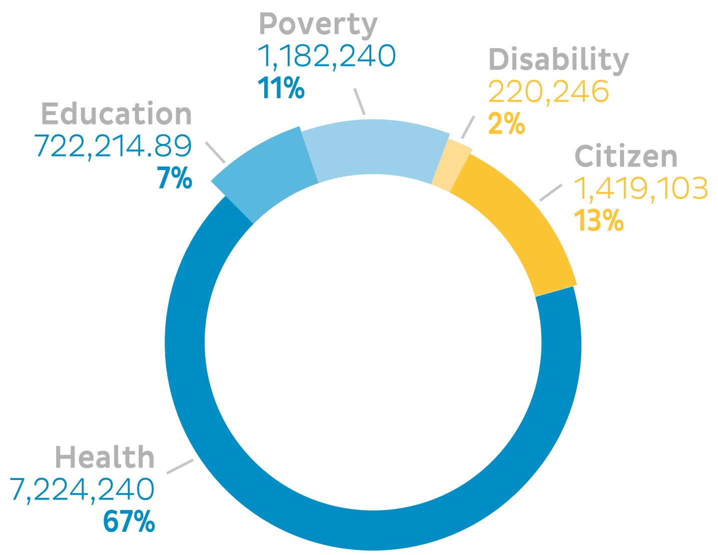
Social – Champion Inclusive Growth

Community Empowerment – CSR by Clusters (Cont'd)

COVID-19 Related Actions

The higher number of beneficiaries per one thousand rupee spend is due to clusters using more of their specific resources or technical capabilities during the pandemic, due to restricted funding. For example, CIEL Healthcare's doctors, offered free talks and advice to the public through online webinars, and CIEL Textile donated large numbers of masks. In the numbers shown here, we counted one unique beneficiary per individual participant. While it is difficult to establish the exact number of beneficiaries, we know that these actions benefited entire families, however they are not counted.

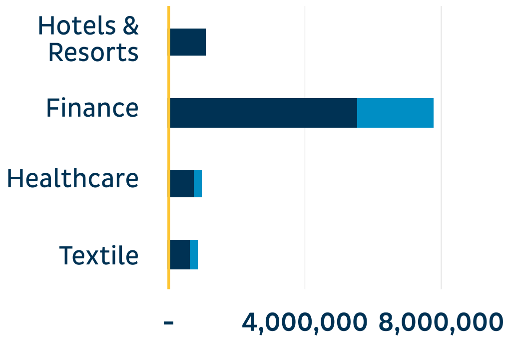
Funding per Action Category – FY21



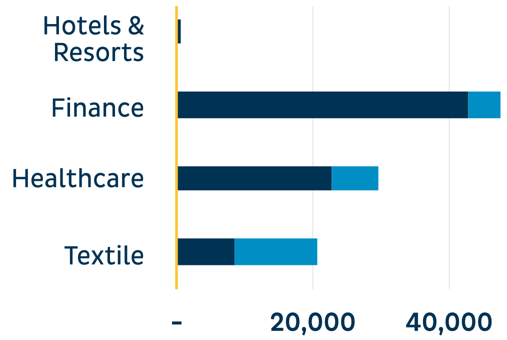
Promoting Lasting Impact

For the first time, we have separated records for long-term and one-off actions, as defined by our sustainability strategy. This reveals that overall, long-term programmes represent 74.5% of funding and support 76.1% of total beneficiaries, exceeding our 60% goal. This can be partly explained by strict sanitary protocols not allowing gatherings, through which one-off community actions usually take place. Should next year's data confirm this, we will review our goals and/or our definition for long-term actions for more meaningful impact.

Amount Invested in MUR



Number of Beneficiaries

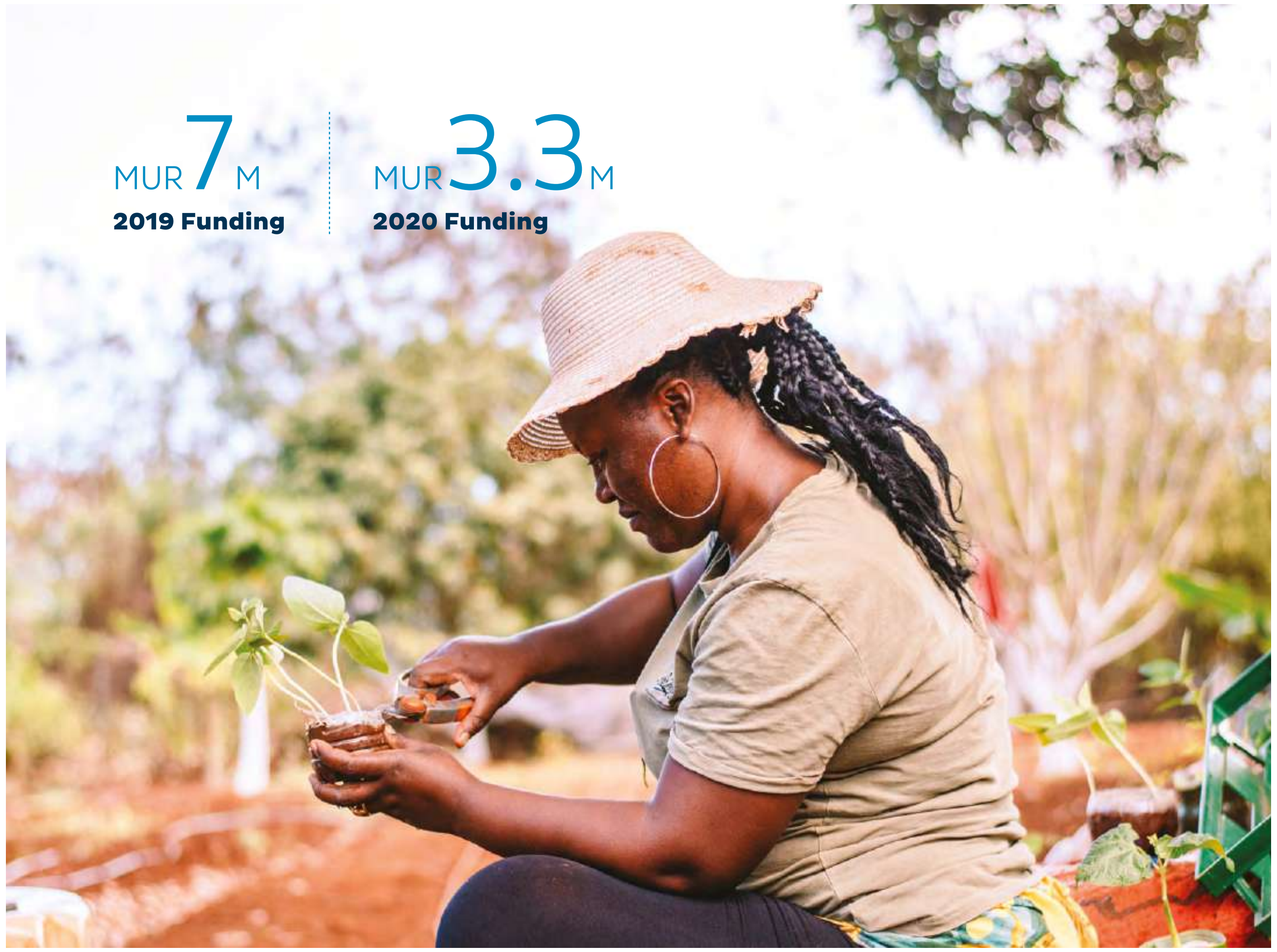


Long Term One Off

CIEL Foundation

The CIEL Foundation operates per calendar year, from January to December. The figures presented here are for 2020. Amid the pandemic and with lockdown constraints, people living in poverty and with disabilities were hit the hardest by reduced economic activity and mobility. As their dependence on material support was exacerbated, the Foundation increased its proportional funding allocation to these action areas, while also focusing strongly on health to protect vulnerable families from COVID-19.

Like the various CSR actions of CIEL clusters, the Foundation's reduced resources down 53% (versus 2019) were optimised to reach beneficiaries with as much non-financial support as possible.



MUR 3.3 M

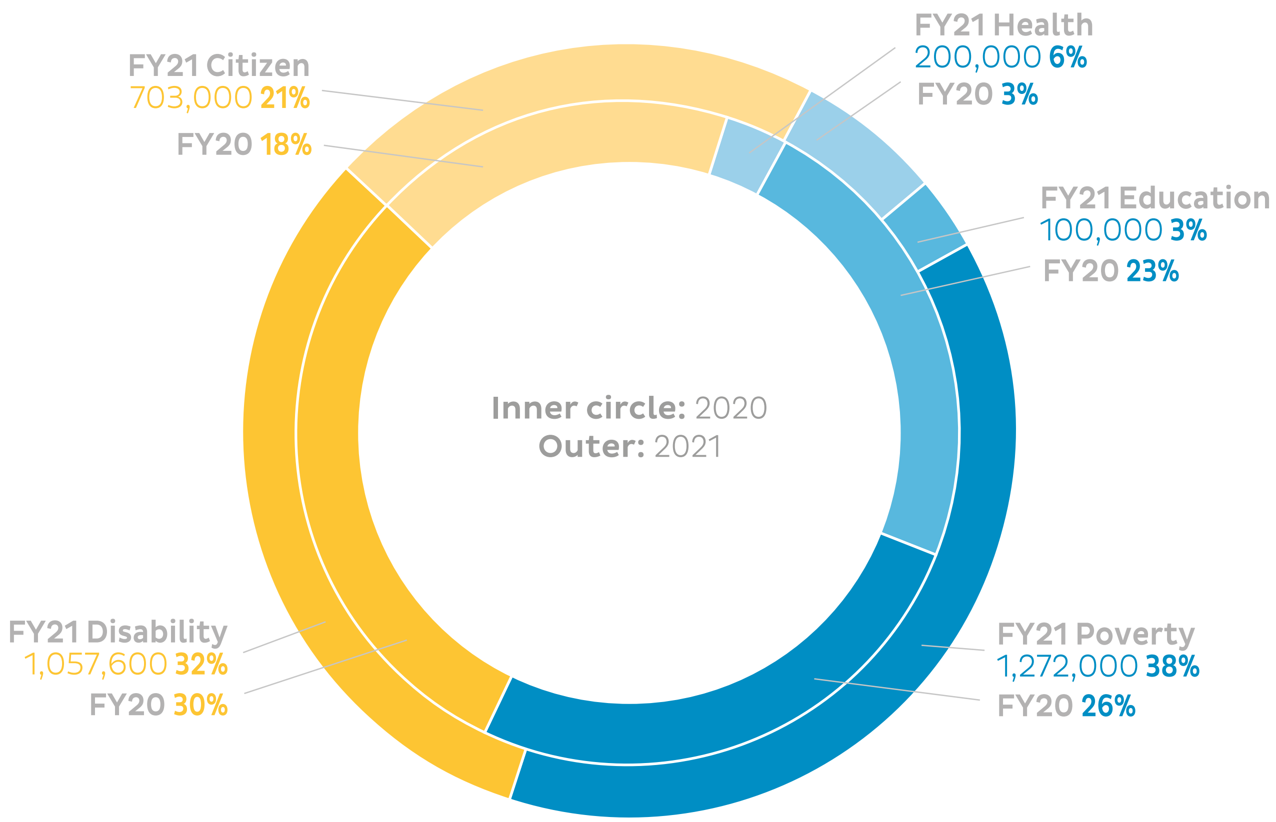
-53%
vs FY 2020

Channelled to CSR actions this FY

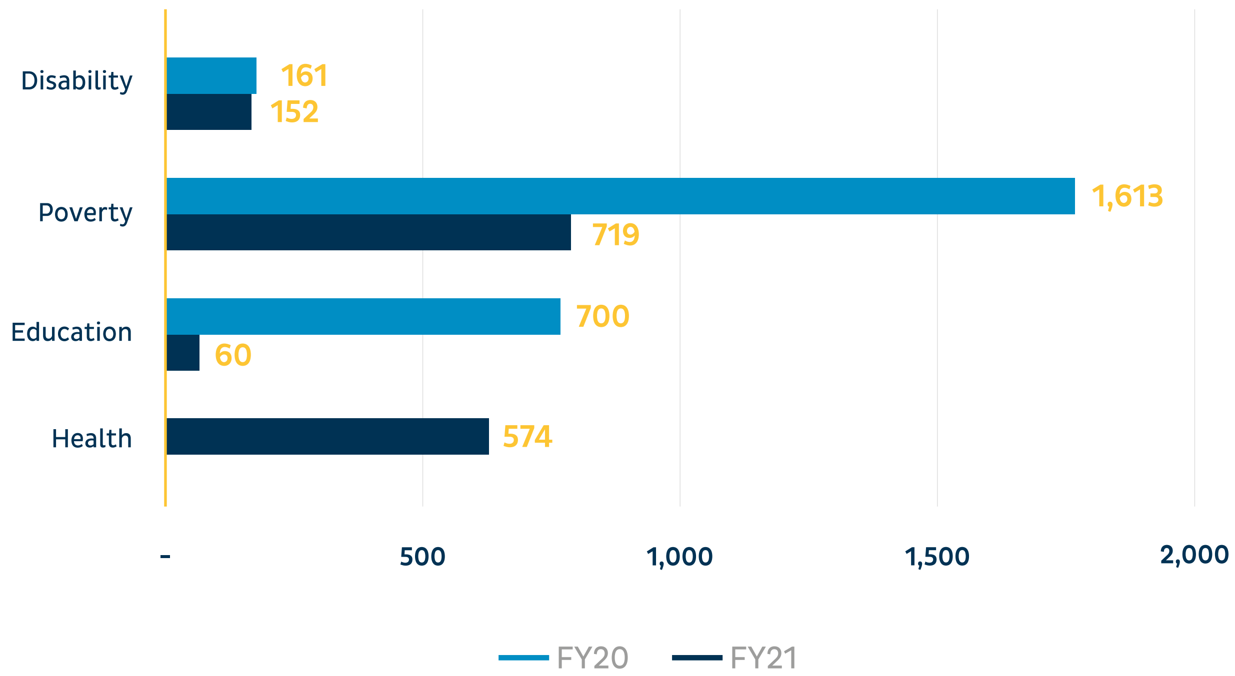
Social – Champion Inclusive Growth

CIEL Foundation (Cont'd)

Funding per Action Category



Number of Beneficiaries



Crisis Response in the South-East of Mauritius

The coastal communities neighboring Ferney suffered successive shocks since 2020, with COVID-19 related lockdowns and the Wakashio oil spill. Already facing the lack of consumption from hotels, fishermen could not work for several weeks. Ferney, in collaboration with the CIEL Foundation and with support from HSBC and CIEL Director Marc Ladreit de Lacharriere, implemented several programmes for vulnerable families.

Food security packages included home gardening provisions with materials and consumables (trays, tools, seeds, compost). They were further given egg-laying hens along with training, cages, and food for six months. The programme also created part-time employment at La Vallee de Ferney Conservation Trust, in forest restoration.

	Bois des Amourettes	Rivière des Créoles	Grand Port	Bambous	Grand Sable	TOTAL
Number of participants per village per project						
Home garden	29	12	7	31	2	81
Egg laying chickens	17	2	2	14	4	39
Rug mat	5	1	1	N/A	N/A	7
Financial litteracy	3	N/A	1	4	2	10
MITD	12	3	2	8	1	26
Ferney	16	3	N/A	7	1	27
					TOTAL	190

Social – Champion Inclusive Growth

Sustainable Offering

We consider our clients as key stakeholders in promoting sustainable and inclusive growth. CIEL clusters are thus working on sustainable offerings at various levels, with BNI MADAGASCAR and CIEL Textile championing this movement through microfinance and the eco-index, respectively.

The CIEL Textile sub-clusters have assessed their collections, and started using this tool in product development, marketing and sales, which empowers clients to understand the impact of their choices, and thus select sustainable designs. Visit www.cieltextile.com for more information.

CIEL TEXTILE ECO-INDEX

The CIEL Textile Eco-Index is our internal rating system which asses sustainability aspects of our products.

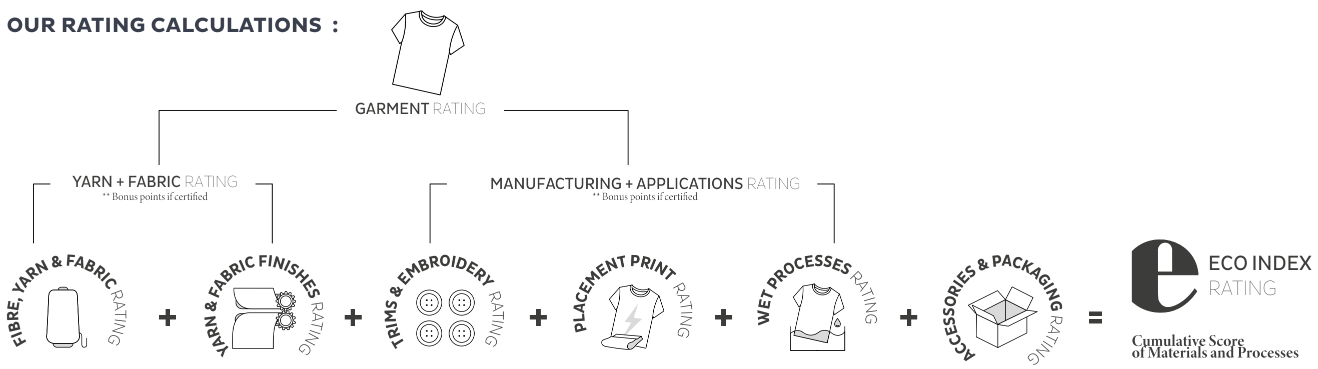
WHY ECO-INDEX?

It allows us to assist and educate our creative teams designing responsible products and drive our clients to make the right choice.

THE RATINGS ARE BASED ON:

01 Our Expertise
02 The different processed and their impact
03 Recognised accreditations (GOTS, Oeko-Tex)
04 HIGG Materials –Higg MSI, Higg FEM, Higg FSLM

OUR RATING CALCULATIONS :

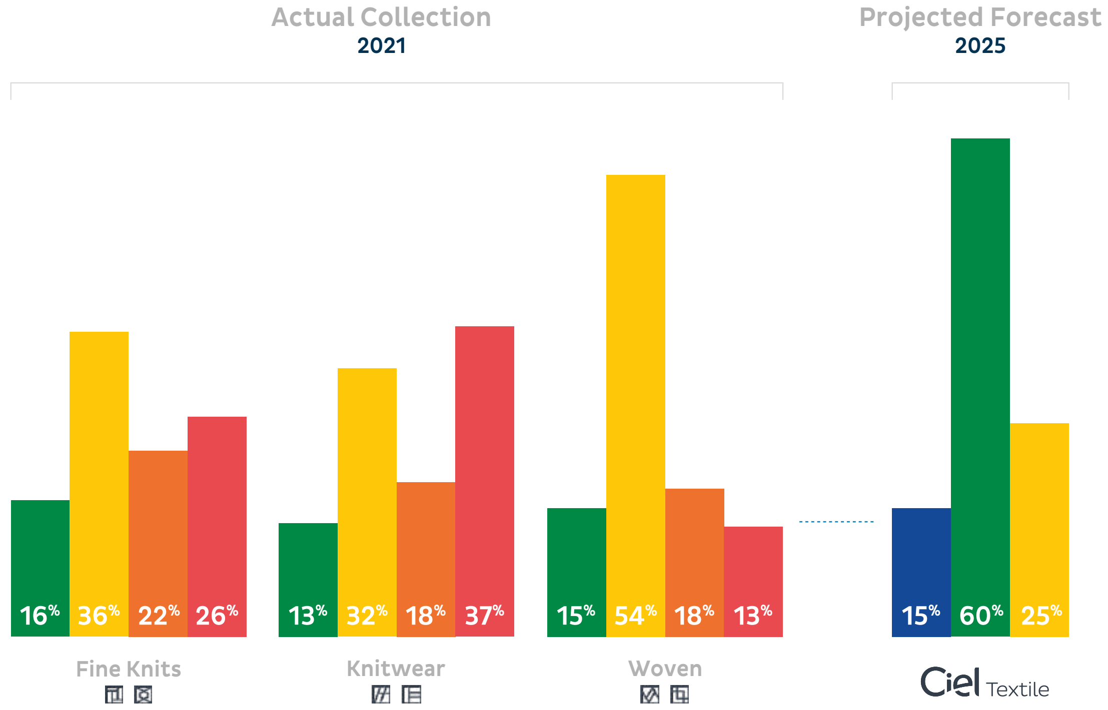


Our colour coding system:

Low impact (Products in the blue range have less negative impact on the environment)

(Products in the red range have more negative impact on the environment)

CIEL Textile Assessment of Current Collections Against the Eco-Index and 2025 Target



Financial Inclusion by BNI MADAGASCAR

In the local context of Madagascar, financial inclusion has literally been a bankable investment, namely with KRED microfinance and other facilities which harness tech solutions, removing the need for lengthy and costly travel to bank branches, for a variety of services. Visit www.bni.mg for more information.

BNI MADAGASCAR

MUR **1** M
invested in Sustainable and Inclusive R&D (FY20*)

MUR **4** M
of sales revenue from inclusive products (FY20)

*BNI's financial year runs from January to December

Ferney Agri-Hub

The Ferney Agri-Hub was launched in August 2020 to address the question of how to diversify agriculture and improve food security in Mauritius while moving towards sustainable agriculture and Agri-Tech. By March 2021, the 17 plots earmarked over 34 hectares were fully booked by agri-entrepreneurs who employ 20 people from neighboring villages. Agri-Hub tenants must only use natural inputs approved by the FAREI (Food and Agriculture Research Extension Institute) to promote organic agriculture, as synthetic chemicals are forbidden.

Corporate Governance Report

Financial year ended 30 June 2021

Group Profile – A Diversified Mauritian Investment Group with an International Footprint

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
- Operates six business clusters spread across 10 countries

The Board of Directors ("Board") of CIEL Limited ("CIEL") is committed to maintain 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"). Details on how CIEL has applied the Code's principles are set out in this report. CIEL also uses its website for online reporting purposes, in accordance with the recommendations of the Code. You may refer to CIEL governance section on http://www.cielgroup.com ("CIEL's website").

CIEL's Organisational Chart and Statement of Accountabilities

The Board of CIEL is ultimately accountable and responsible for the performance and affairs of the Group which operates within a defined governance framework through delegation of authorities and clear lines of responsibility while enabling the Board to retain effective control. During the financial year, CIEL reviewed its governance structure to efficiently reduce the number of committees reporting to the Board. The Corporate Sustainability Committee was dissolved and matters pertaining to corporate sustainability are henceforth monitored by CIEL Head Office's corporate sustainability department. Group sustainability initiatives are communicated to the Board once or twice annually. Three Board committees are tasked to provide specialist guidance and recommendations to the Board.

Board of Directors of CIEL

Corporate Governance, Ethics, Nomination & Remuneration Committee	Investment Committee (Formerly Strategic & Advisory Committee)	Audit & Risk Committee

The Board delegates management to

CIEL Properties
(Ferney Limited and CIEL Properties Limited)
Management Teams

Hotels & Resorts
(Sun Limited and Anahita Residences & Villas Limited)
Management Teams

CIEL Agro
(Alteo Limited)
Management Team

Group Chief Executive
Jean-Pierre Dalais

Group Finance Director
L. J. Jérôme De Chasteauneuf

With CIEL Head Office Management Team in support

CIEL Healthcare
Management Team

CIEL Textile
Management Team

CIEL Finance
Management Team

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 Head Office, which provide a combination of corporate services and strategic support to the main operational clusters of CIEL.

Corporate Governance Report

Financial year ended 30 June 2021

CIEL's Governance Structure

The role of the Board is to provide effective leadership and direction to enhance the long-term value of the Group, for its shareholders and other stakeholders. The Board assumes its responsibility in (i) overseeing the business affairs of the Group; and (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. It ensures that all legal and regulatory requirements are met. The following governance documents, as approved by the Board of CIEL, may be viewed on its website: Conflict of Interest/Related Party Transactions Policy | Share Dealing Policy | Job Description of Senior Governance Position | Group Structure | Code of Ethics | Board Charter | Whistle Blowing Policy | Constitution | Terms of Reference of Board Committees. A review of the governance documents is performed annually and amendments are made when necessary.

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. A sufficient number of directors do not have a relationship with the organisation.

15

Type of mandate:
Unitary Board of 15 Directors

5

Board meetings during the financial year

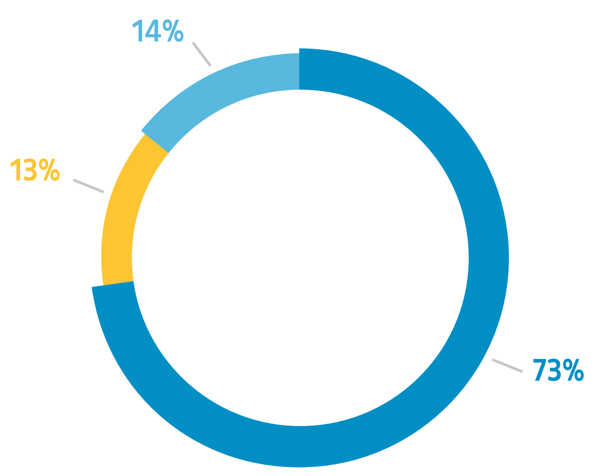
6

Decisions adopted by way of written resolutions in lieu of holding Board meetings

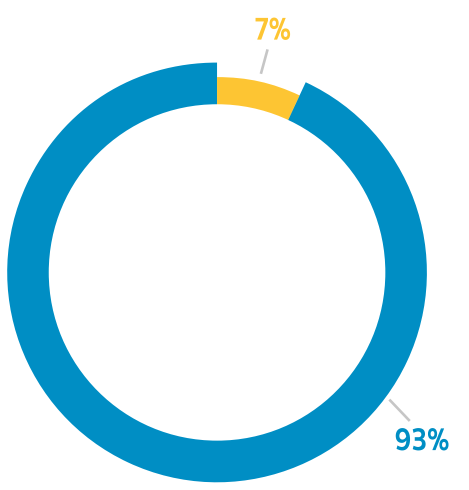
Company Secretary

CIEL Corporate Services Ltd

Category of Directors:



Gender Balance:



Tenure of Directorships:

0 — **Between 0 and 2 years**

2 — **Between 2 and 4 years**

1 — **Between 4 and 6 years**

12 — **More than 6 years**

Quorum for the Board: 7 Directors

There have been no changes on the Board during the financial year.

Directors	Gender	Age	Attendance	Residence	Category
P. Arnaud Dalais (Chairman)	M	66	5/5	Mauritius	NEC
Sébastien Coquard	M	46	5/5	France	NED
Guillaume Dalais	M	39	5/5	Mauritius	NED
Jean-Pierre Dalais	M	57	5/5	Mauritius	ED
Marc Dalais	M	57	5/5	Mauritius	NED
R. Thierry Dalais	M	62	5/5	Mauritius	NED
Pierre Danon	M	65	5/5	France	INED
L. J. Jérôme De Chasteauneuf	M	55	5/5	Mauritius	ED
Roger Espitalier Noël	M	66	5/5	Mauritius	NED
M. A. Louis Guimbeau	M	71	5/5	Mauritius	NED
J. Harold Mayer	M	56	5/5	Mauritius	NED
Marc Ladreit de Lacharrière*	M	80	0/5*	France	NED
Catherine McIlraith	F	57	5/5	Mauritius	INED
Jean-Louis Savoye	M	48	5/5	France	NED
Xavier Thiéblin	M	78	5/5	France	NED
*Jacques Toupas, Alternate of Marc Ladreit de Lacharrière	M	42	5/5	France	NED

NEC - Non-Executive Chairman

NED - Non-Executive Director

INED - Independent Non-Executive Director

ED - Executive Director

Corporate Governance Report

Financial year ended 30 June 2021

Independence on the Board

The independence criteria for directors are defined under the Mauritius Companies Act 2001. Catherine McIlraith and Pierre Danon still qualify as independent non-executive directors.

Time Commitment and Other Directorship Positions

CIEL's directors ensure that they devote sufficient time to the Company in the performance of their duties. The Board is satisfied that, for the year under review, its members have met their time commitment expectations in respect of board and committee meetings and that they continue to discharge their responsibilities effectively.

Focus Areas of the Board during the Year

Recurring Agenda Items	Strategy, Performance, Financial Monitoring	Governance and Risk, Other
• Declaration of interests • Minutes of proceedings of meetings • Reports from chairmen of Board committees • Quarterly investment reports, including economic updates of countries within which the Group operates, peer review and financial results	• Annual and quarterly financial statements • Deep dive on CIEL Textile in the presence of the CEO • CIEL corporate strategy • Annual Report • Multi-currency notes programme • Dividend policy • Budget	• Governance structure • Remuneration of the Directors • Impact of COVID- 19 on the Group • Group sustainability initiatives • Risk dashboards for the Group • Internal audit assessments through the report from the Chairman of the Audit & Risk Committee

Board Processes and Attendance at Board/Committee Meetings

Dates of meetings are planned well in advance (by September of the previous calendar year).

The Board meets at least 4 times a year. 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.

Documents are circulated in advance through an online portal facilitating the viewing of such papers, in order for the Directors to devote sufficient time towards the reading of these documents.

The chairman of the Board, in collaboration with the company secretary and management, ensure that all directors are provided with appropriate, reliable and timely information to enable them to discharge their duties effectively and reach informed decisions.

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 and are available for consultation on CIEL's website. During the financial year, those of the Strategic & Advisory Committee were amended to reflect a change of name to Investment Committee and change in scope of focus.

Investment Committee

(Formerly known as Strategic & Advisory Committee)

3 Meetings

Members	Attendance
R. Thierry Dalais, Chairman	3/3
Damien Braud	2/3
Sébastien Coquard	3/3
P. Arnaud Dalais	3/3
Jean-Pierre Dalais	3/3
Pierre Danon	2/3
L. J. Jérôme De Chasteauneuf	3/3

Main Terms of Reference

The main terms of reference of the Investment Committee, as amended by the Board on 18 December 2020, are:

- Consider investment and divestment propositions as put forward by management from time to time
- Discuss and recommend to the Board all strategic investments or divestments to be made by the Company and transactions involving more than 1% of the Group net asset value

Focus Areas during the Year

- Budget FY 2022
- Funding requirements of subsidiaries
- CIEL's corporate strategy
- CIEL's investment portfolio

Corporate Governance Report

Financial year ended 30 June 2021

Audit & Risk Committee

4 Meetings

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
- Review annually in presence of the external auditor their management letter and report on audit

Focus Areas during the Year

- Audited accounts and management letter
- External audit plan
- External audit fees
- Risk report for the annual report
- Quarterly condensed financial statements and financial review documents
- Internal audit reports
- Internal audit tender exercise
- Risk management reports and risk dashboards
- Material litigation cases
- Audit & Risk Committee effectiveness survey report

Corporate Governance, Ethics, Nomination & Remuneration Committee

3 Meetings

Members	Attendance
Pierre Danon, Chairman	3/3
P. Arnaud Dalais	3/3
R. Thierry Dalais	3/3
Xavier Thiéblin	3/3

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

- Corporate governance report
- Executives' bonus
- Updated succession plan for the Executives of the Group and those of CIEL Head Office
- Update of governance documents
- Head Office restructuring and financing requirements
- Group CEO's remuneration
- Directors' fees

Corporate Governance Report

Financial year ended 30 June 2021

Directors' Profiles

The biographical details of the directors of the Company are provided hereunder.

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
- Founder and Chairman of Mercoeur Investment Ltd

Directorships in other Listed Companies:

Alteo Limited, Sun Limited

Core Competencies:

Leadership, entrepreneurship, deal structuring, business management, strategic development, hotel & property development

SÉBASTIEN COQUARD

Non-Executive Director, joined the Board in May 2014

Skills and Experience:

- Managing Director at Peugeot Invest, the listed investment company majority-owned by the Peugeot family
- Representative of Peugeot Invest Assets on the Board of Directors of OPCI Lapillus II and IDI Emerging Markets SA
- Former representative of Peugeot Invest on the Board of Directors of Onet, Ipsos, LT Participations and IDI SCA
- Director of Peugeot Invest 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:

None

Core Competencies:

Investment, corporate finance, capital markets, valuation

GUILLAUME DALAIS

Non-Executive Director, joined the Board in June 2019

Skills and Experience:

- Former experience in the investment Banking sector by working at Metier in South Africa and CIEL Capital Limited in Mauritius
- 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 between July 2016 and June 2020
- CEO of CIEL Properties since 01 July 2020

Directorships in other Listed Companies:

C-Care (Mauritius) Ltd

Core Competencies:

Private equity, textile, manufacturing, entrepreneurship, strategic business development, deal structuring

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)

Core Competencies:

Strategy and corporate finance, building business partnership, international development, new business opportunities, hotel & property development

Corporate Governance Report

Financial year ended 30 June 2021

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 an international shipping company 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

Core Competencies:

Logistics, business and management, strategic planning, leadership

R. THIERRY DALAIS

Non-Executive Director, joined the Board in August 2013

Skills and Experience:

- More than 35 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 in numerous private investment programs over the last 30 years
- Current and former director and trustee on numerous boards, industry bodies, not for profit foundations, 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 other Listed Companies:

Sun Limited

Core Competencies:

Investment management and corporate finance, entrepreneurship and business development, private equity investment activities across numerous industry sectors

PIERRE DANON

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

Skills and Experience:

- Chairman of Data Group-Volia in Kiev, the Ukrainian leading cable and broadband company
- Chairman of Procontact, a call center dedicated to small and medium-sized French businesses located in the Indian Ocean
- 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
- Former Chairman of Solocal Group, a European leader in digital communication

Directorships in other Listed Companies:

None

Core Competencies:

Digital, international business management, entrepreneurship, deal structuring

L. J. JÉRÔME DE CHASTEAUNEUF

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

Skills and Experience:

- Qualified from The London School of Economics - BSc Econ (Accounting & Finance)
- 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
- Serves as independent non-executive director on the Board of the Stock Exchange of Mauritius Ltd

Directorships in other Listed Companies:

Alteo Limited, Harel Mallac & Co. Limited, Sun Limited

Core Competencies:

Business development and finance, accounting & audit, strategic development, deal structuring

Corporate Governance Report

Financial year ended 30 June 2021

Directors' Profiles (Cont'd)

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)

Core Competencies:

Textile, manufacturing and operations, environment and sustainability

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

Core Competencies:

Finance, accounting, business management

J. HAROLD MAYER

Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Retired as CEO of the CIEL Textile Group on 30 June 2020
- Was formerly 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
- Offers property advisory and transaction services (Horizon Property Partners)
- Acts as corporate consultant on strategy, finance and operational excellence

Directorships in other Listed Companies:

Sun Limited, Omnicane Limited (Chairman)

Core Competencies:

Corporate finance, accounting, operational excellence, textile, entrepreneurship.

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:

Société Fermière du Casino Municipal de Cannes (SFCMC)

Core Competencies:

International business and management, leisure and hospitality

Corporate Governance Report

Financial year ended 30 June 2021

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 IncomeGroup Limited, Les Gaz Industriels Ltd, Paradise Hospitality Group Ltd, The Mauritius Union Assurance Company Limited, MUA Limited

Core Competencies:

Corporate finance, accounting, audit, investment banking

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 16 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

Core Competencies:

Finance, accounting, mergers & acquisition, private equity, international business and management, property investment

XAVIER THIÉBLIN

Non-Executive Director, joined the Board in December 2013

Skills and Experience:

- Joined Société Sucrière de Quartier Français in 1970
- 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

Core Competencies:

International business and management, agro-industry, entrepreneurship

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

Core Competencies:

Finance, accounting, audit, private equity, international business management

Corporate Governance Report

Financial year ended 30 June 2021

Director Appointment Procedures

Appointment and Re-Election of Directors/Chairman

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 Board 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 the 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

Briefing with the chairman of the Board and Group Chief Executive	Briefing by the Group company secretary	Briefings with the CEOs of each cluster	Site visits

Induction of the Directors

The Board assumes its responsibility for the appointment of new directors, as well as their induction through a process which is facilitated by the company secretary. All directors have unrestricted access to the Company's records. There has been no appointment during the financial year under review.

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, on 28 June 2021 an updated 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 into the role/job/position in case of an emergency vacancy but may not be the most suitable successor long-term. 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 would 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

Financial year ended 30 June 2021

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.

Code of Ethics and Whistle Blowing 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

Amendments are made to the code of ethics as and when required. The code of ethics includes a whistle blowing mechanism, which is a confidential and anonymous channel for all internal and external stakeholders to express their concerns about any perceived wrong-doings, malpractices or improprieties as defined as follows:

Step 1	Any person wishing to blow the whistle (on an anonymous basis if so desired) shall report same to the Whistle Blowing Screening Committee comprising of the CIEL Group Risk Officer and a member of the legal team. Alternatively, if the person feels that the Whistle Blowing 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 Whistle Blowing Screening Committee is only to screen the complaint, to determine whether the complaint is genuine and worth investigating/actioning. If so, the Whistle Blowing Screening Committee shall forward the complaint to the chairman of the ARC of CIEL.
Step 3	The chairman of the ARC of CIEL, upon receiving a complaint, forwards 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.

A whistle blowing template has been defined by the ARC to enable entities of the Group record the number, source and type of complaints received on a monthly basis. The template also helps to assess the trend in the number of complaints received, the number of cases under investigation and those resolved.

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 of the Board, 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.

Corporate Governance Report

Financial year ended 30 June 2021

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

JEAN-PIERRE DALAIS

Group Chief Executive of CIEL

Refer to Directors' Profiles

GUILLAUME DALAIS

Chief Executive Officer of CIEL Properties

Refer to Directors' Profiles

L. J. JÉRÔME DE CHASTEAUNEUF

Group Finance Director of CIEL

Refer to Directors' Profiles

ERIC DORCHIES

Chief Executive Officer of CIEL Textile

Eric Dorchies is the Chief Executive Officer of CIEL Textile since 1 July 2020. In this capacity, he also sits on the Board of CIEL Textile Limited ("CTL"). CTL has strategic geographic positioning with manufacturing locations in Mauritius, Madagascar, India and Bangladesh. It is on these three main pillars: "our talents, sustainable development and digitalisation" that CTL will continue to accelerate its transformation. Eric Dorchies has a long-standing career in CTL group which he joined in 1998 as Chief Executive Officer of Consolidated Fabrics Limited. He was appointed Managing Director of Aquarelle Clothing Ltd in 2003 and became the Chief Executive Officer of the woven cluster from 2008 till 2019, instrumental in driving several strategic initiatives for the group bringing it to an international level. More recently, in October 2017, he was appointed CTL's Chief Operations Officer. Eric Dorchies has a solid track record in the textile industry with strong marketing capabilities. Prior to joining CTL, he was leading his own textile company in Europe. He had graduated in Business and Finance from ESCP Europe (Ecole Supérieure de Commerce de Paris).

FRANCOIS EYNAUD

Chief Executive Officer of SUN

Francois Eynaud is the Chief Executive Officer of SUN since 1 September 2019. Prior to joining SUN, Francois Eynaud was the CEO of Veranda Leisure & Hospitality ("VLH"), managing the Hotels Division of Rogers Group, where he spent 11 years. Before joining VLH, he had spent 14 years with CIEL Textile where he was Executive Director at Tropic Knits. He was President of AHRIM (the National Hotel Association) in 2013 and 2014. Prior to returning to Mauritius in 1991, he 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).

LAKSHMANA BHEENICK

Chief Executive Officer of CIEL Finance

Since 01 March 2021, Lakshmana Bheenick is the CEO of CIEL Finance. He joined Barclays Bank PLC (Mauritius Branch) in March 1996 and held various positions – FX trader, Head Market Making & Liquidity Management, Treasurer. He then moved to Standard Bank (Mauritius) Limited in June 2006 as Head Global Markets (Treasurer) and was appointed Chief Executive in July 2010. Lakshmana Bheenick is a graduate in BA Economics from the University of Manchester and also holds an ACI Dealing Certificate. He holds an Executive Education MIT Sloan School of Management and has also been on a leadership programme with Oxford SAID Business. Former Director and Vice Chairman of the Mauritius Bankers Association (MBA).

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. 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 worked for Eclosia Group and Harel Mallac Group and counts 17 years of experience in operations and project management, at both company and group 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. She is a board member of Sun Limited and CIEL Textile Limited.

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.

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.

Board Evaluation

In a spirit of containing the expenses to the minimum following the severe impact of the COVID-19 pandemic, the Board has resolved to defer the Board evaluation by an additional year; same will be performed over the financial year ending 30 June 2022.

Corporate Governance Report

Financial year ended 30 June 2021

Directors' and Officers' Liability Insurance (Cont'd)

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. There are no established policies for remunerating executive directors approaching retirement. This will be determined by the Board as and when required.

Directors' Remuneration and Benefits

Directors of CIEL were entitled to the following remuneration for the financial year under review. They have voluntarily decided to reduce partly or wholly the amount of their remuneration so that such amount be donated by the Company to the CIEL COVID Fund (please refer to the next section for more information on the CIEL COVID Fund). The figures below represent the full amount Directors were entitled to before donation to the CIEL Covid Fund.

Directors	Board[4] (MUR)	Audit & Risk Committee[4] (MUR)	Corporate Governance, Ethics, Nomination & Remuneration Committee[4] (MUR)	Investment Committee[5] (MUR)	Total (MUR)
P. Arnaud Dalais (Chairman)[1]	2,376,000	NIL	100,000	150,000	2,626,000
Sébastien Coquard	350,000	NIL	NIL	150,000	500,000
Guillaume Dalais	350,000	NIL	NIL	NIL	350,000
Marc Dalais	350,000	NIL	NIL	NIL	350,000
R. Thierry Dalais	350,000	NIL	100,000	225,000	675,000
Pierre Danon[2]	400,000	200,000	150,000	100,000	850,000
Roger Espitalier Noël	350.000	NIL	NIL	NIL	350,000
M. A. Louis Guimbeau	350,000	200,000	NIL	NIL	550,000
J. Harold Mayer	350,000	NIL	NIL	NIL	350,000
Marc Ladreit de Lacharrière	350,000	NIL	NIL	NIL	350,000
Catherine McIlraith	400,000	350,000	NIL	NIL	750,000
Jean-Louis Savoye[3]	350,000	NIL	NIL	NIL	350,000
Xavier Thiéblin	175,000	NIL	50,000	NIL	225,000

Note 1: The Chairman of the Board also received travelling allowance of MUR 1.47M in addition to the above
Note 2: Payment to Cordial Investments and Consulting Limited
Note 3: Payment to Di Cirne Holding Ltd
Note 4: Fixed remuneration only
Note 5: Variable remuneration (attendance fee)

Non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

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 remuneration of the executive directors ("the Scheme") 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 the Scheme is to motivate the executives towards increasing the total value of the Company and reward them for the creation of long-term value. This bonus is payable partly in cash and partly in ordinary shares, out of the treasury shares held by the Company. The remuneration and benefits paid to the executive directors of CIEL for the financial year ended 30 June 2021 amounts to MUR 31.6M. The remuneration of the executive directors has not been disclosed individually due to its commercially sensitive nature.

The chairman of the Board is not entitled to an incentive scheme.

The remuneration and benefits received, or due and receivable by the directors of the Company and its subsidiaries as at 30 June 2021, have been disclosed in the section Other Statutory Disclosures made pursuant section 221 of the Mauritius Companies Act 2001.

CIEL COVID Fund

The directors of CIEL have voluntarily agreed to donate part or the whole amount of their remuneration to the CIEL COVID Fund which has been created in view of providing employees of the Group impacted by the COVID-19 crisis with adequate support through specific medical assistance, training and/or empowerment programmes. The fund focuses on programmes that capitalise on the Group's internal expertise. These actions are categorised as follows:

Health and Wellbeing

- Psychological support and counselling
- Medical assistance

Staff Mobility

- Listing of affected workforce and vacancies
- CV writing and preparation for interviews

Training & Strategic Support

- Formal certification and training
- Start-up/entrepreneurship training and assistance

A project manager and team have been deployed to conduct the activities, overseen by a high-level fund committee. Appeal for funding has been made to the companies of the Group, its directors, main shareholders of CIEL, DFIs and employees.

Corporate Governance Report

Financial year ended 30 June 2021

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 to eliminate 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 key risks for the Company and how they are managed are detailed in the Risk Report.

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 six 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.

Charitable and Political Contributions

	The Company		Subsidiaries	
	2021 MUR'000	2020 MUR'000	**2021 MUR'000**	2020 MUR'000
Charitable*	**1,089**	1,440	**15,060**	7,687
Political	**N/A**	2,500	**N/A**	9,000

*Includes CSR donations which have been channeled to CIEL Foundation, registered as a special purpose vehicle accredited to receive CSR contributions.

Sustainability

Following the adoption by the Board of CIEL's sustainability strategy for 2020-2030, its implementation has been initiated across clusters, albeit at various levels, creating a solid momentum to accelerate CIEL's sustainability leadership. The analysis of the Group's Environmental and Social performance is completed annually and enables a disciplined approach to tracking progress towards achieving our set targets and commitments. More information can be found on our website.

Stakeholder Engagement

CIEL aims at constantly engaging its internal and external stakeholders on sustainability topics. A specific campaign around the theme of Explore. Adapt. Innovate was launched this year and CIEL's main sustainability initiatives were put forward for cross-fertilisation across operations. The Group also held an Annual Sustainability Forum in May 2021, gathering all CIEL executives and top managers online, with the view to raise awareness, drive further engagement, and accelerate our Environmental and Social agenda.

Community Engagement

The Group pursues its inclusive growth agenda through on-going community actions at enterprise and site levels. However, the sanitary restrictions associated with the handling of the COVID-19 pandemic have had a negative impact on community actions and initiatives, particularly from an employee participation standpoint. CIEL Foundation has nonetheless maintained its support to long-term projects, particularly needed in a very challenging social context.

COVID-19 Health & Safety Protocol

The Group aims to act as a responsible employer in providing and maintaining a safe and healthy work environment for all its employees. The Group aims to be a responsible and caring employer by providing and maintaining a safe and healthy work environment for all its employees. Health and safety standards are implemented across all of the Group's operations, to minimize accidents at work and optimise work efficiency. With the on-going COVID-19 pandemic, strict health protocols remain in place across our operations as well as flexible working arrangements for our employees. A dedicated COVID-19 fund, financed by voluntary contributions from directors and employees is also active in supporting employees impacted by COVID-19 socio-economic consequences.

Commitment to Reduce Printing

CIEL strongly believes in the protection of the environment and as such, encourages its shareholders to opt for the opportunity to receive communications electronically. Choosing that option 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.

Corporate Governance Report

Financial year ended 30 June 2021

Audit

External Audit

PricewaterhouseCoopers ("PwC") is the external auditor of CIEL. PwC was appointed auditors of the Group, in replacement of BDO & Co, at the annual meeting of shareholders held in December 2017 and has been re-appointed auditors by the shareholders of CIEL at the annual meetings held in December 2018, 2019 and 2020. 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 auditors during Audit & Risk Committees, especially when the audited accounts of the Company and Group are tabled for consideration.

The Audit & Risk Committee regularly meets the 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 will 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 auditors relate mainly to tax computation, compliance and transaction advisory. Hence, the objectivity and independence of the 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

The internal auditor 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: Risk management review of CIEL | Sustainability review of CIEL. The internal auditor has unlimited access to the Company's records and management. A restricted tender exercise was performed by the Audit & Risk Committee for the nomination of the internal auditor since EY's contract was expiring on 30 June 2021. As a result, EY's nomination was renewed for an additional period of three years by the Board.

Relations with Shareholders and Other Key Stakeholders

Shareholding Structure/Cascade Holding Structure

As at 30 June 2021, CIEL had in issue (i) 1,689,901,209 Ordinary Shares (of which 2,456,073 were held as treasury shares) and (ii) 3,008,886,600 Redeemable Restricted A Shares ("RRAS").

Shareholding Structure at 30 June 2021

Based on 1,687,445,136 ordinary shares issued (excluding treasury shares), Ordinary shares represented 35.93% of the total voting rights of CIEL (Ordinary + RRAS).

Direct Shareholders holding > 5% of the Ordinary Shares

8.01%
Mercoeur Investment Ltd (P. Arnaud Dalais[1])

6.81%
Peugeot Invest Assets (Peugeot family)

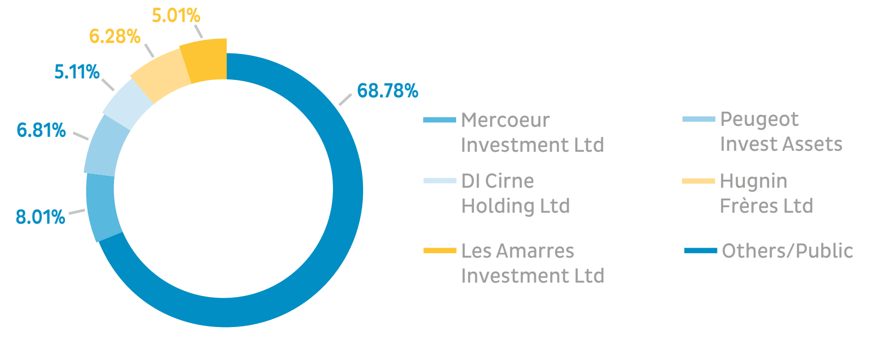
6.28%
Hugnin Frères Ltd (Hugnin family)

5.11%
Di Cirne Holding Ltd (Dentressangle family)

5.01%
Les Amarres Investment Ltd (Jean-Pierre Dalais[2])

68.78%
Others/Public

Note 1: P. Arnaud Dalais also hold shares under his name bringing his total shareholding to 8.03% of the ordinary shareholding.
Note 2: Jean-Pierre Dalais also hold shares under his name bringing his total shareholding to 5.47% of the ordinary shareholding.



Ordinary Shares

Hold voting rights/Listed on the Stock Exchange of Mauritius/Entitled to Dividends

35.93%

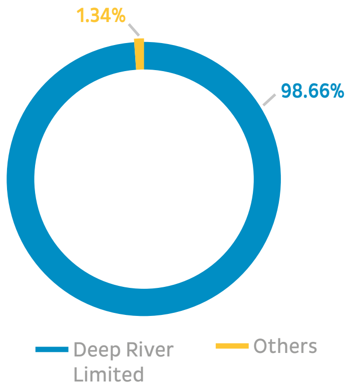
Based on 3,008,886,600 RRAS – RRAS represented 64.07% of the total voting rights of CIEL (Ordinary + RRAS).

Direct Shareholders holding > 5% of RRAS

98.66%
Deep River Limited

1.34%
Others/Public

Note: Deep River Limited is controlled by Deep River Holding Limited (a family holding enterprise).



RRAS

Hold voting rights/Not listed on the Stock Exchange of Mauritius/Not Entitled to Dividends

64.07%

Corporate Governance Report

Financial year ended 30 June 2021

Common Directors within the Holding Structure as at 30 June 2021

Directors	Mercoeur Investment Ltd	Peugeot Invest Assets	Hugnin Frères Ltd	Di Cirne Holding Ltd	Les Amarres Ltd	Deep River Ltd	Deep River Holding Ltd
P. Arnaud Dalais	Chairman					Chairman	Chairman
Sébastien Coquard		Nominee					
Guillaume Dalais	Director					Director	Director
Jean-Pierre Dalais					Director	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 SEM, 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 2021

Shareholding as at 30 June 2021	Direct No of Ordinary Shares	Indirect No of Ordinary Shares
P. Arnaud Dalais	401,754	135,178,460
Sébastien Coquard	Nil	Nil
Guillaume Dalais	603,860	135,178,449
Jean-Pierre Dalais	1,437,057	90,956,053
Marc Dalais	15,315,520	Nil
R. Thierry Dalais	Nil	38,819,460
Pierre Danon	Nil	1,049,138
L. J. Jérôme De Chasteauneuf	951,784	11,064,698
Roger Espitalier Noël	Nil	2,243,914
M. A. Louis Guimbeau	10,000,000	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	36,963,500
Alternate Director		
Jacques Toupas	Nil	Nil

Transactions during the Year	Direct No of Shares	Indirect No of Shares
P. Arnaud Dalais	(575,657)	691,411
Jean-Pierre Dalais	288,940	Nil
Guillaume Dalais	Nil	691,411
L. J. Jérôme De Chasteauneuf	288,940	Nil
Roger Espitalier Noël	(76,505)	76,505
M. A. Louis Guimbeau	(1,361,365)	Nil
Xavier Thiéblin	Nil	3,227,000

The following Directors hold Shares in Deep River Limited:

Shareholding as at 30 June 2021	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 Limited:

Shareholding as at 30 June 2021	Direct No of Redeemable Shares	Indirect No of Redeemable Shares
P. Arnaud Dalais	-	460,852,228
Jean-Pierre Dalais	-	271,817,780
Marc Dalais	56,336,464	-
R. Thierry Dalais	-	155,277,840
Roger Espitalier Noël	210,000	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.

Corporate Governance Report

Financial year ended 30 June 2021

Related Parties' Agreements

- CIEL holds an agreement with CIEL Corporate Services Ltd ("CCS") (CIEL Head Office) 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 2021 - MUR 51.8M.
- 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 2021 – MUR 0.8M.
- CIEL holds an agreement with Deep River Ltd ("DRL") for the provision of strategic support & Group strategy. Amount paid to CCS for the financial year ended 30 June 2021 - MUR 710k.

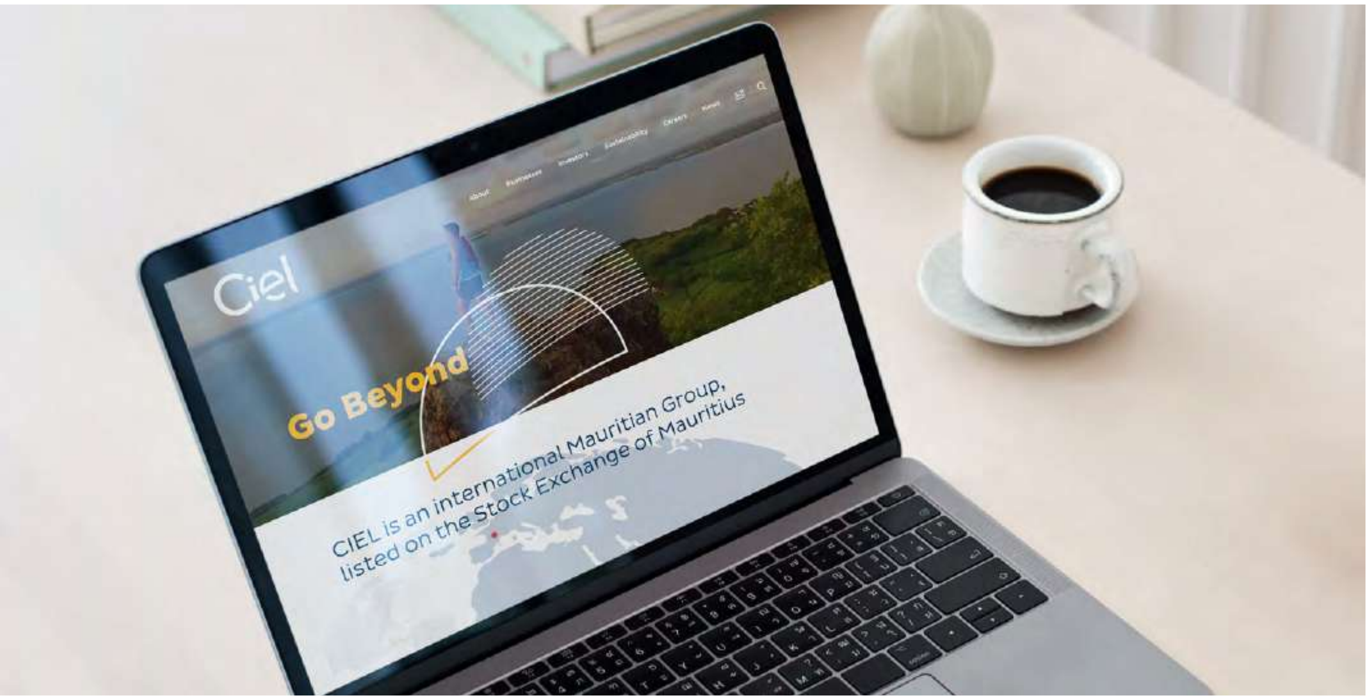
Dividend

A dividend of MUR 0.05 (five cents) per ordinary has been declared by the Board on 29 September 2021. The Board has decided that henceforth the dividend would be declared once annually, i.e, in June. **Policy** - A minimum of 75% of net profits after tax of the Company, depending on the cash flow and financial needs.

Key Stakeholders' Communication

The Board of CIEL is committed to promoting an open and transparent communication with its stakeholders to ensure that they receive the correct and adequate information while upholding trustworthy relationships with them. It tries to maintain an ongoing dialogue with its shareholders by keeping them abreast of all material business developments that influence the Group in a transparent and timely manner through various communication channels. In addition to official press announcements and occasional press conferences, CIEL's website provides for an adapted and comprehensive self-service interface. CIEL also communicates via different social media platforms. CIEL understands the importance of a transparent communication to its stakeholders and as such, has developed a website which provides a good presentation of its activities, leadership, governance, initiatives etc.

We invite you to visit CIEL's website: www.cielgroup.com



CIEL's key stakeholders and the way it has responded to their expectations are described below:

Shareholders	The Board considers the annual meeting as an important corporate event and shareholders are encouraged to attend to express their views and receive feedback from Board members directly on the Group's financial performance and strategic directions. In case a shareholder cannot attend, votes can still be cast on all resolutions through completion of the proxy form/postal vote. 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 integrated 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 and Strategic Partners	Communication with financial institutions and the financial community in general usually takes place through investor meetings. The main recurring topic of discussion is financial performance. The presentation made to financial analysts is also posted on CIEL's website.
Government and Public Authorities	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. It has over the years and since its beginnings in 1912, developed a unique way of doing business. Based on international ethical standards and a strong value system, the Group has grown to become a Mauritian-based international investment Group. CIEL believe ethics start at the top, with its Board of Directors, senior management and extend to all its employees, business partners and other stakeholders through 3 core values which are: • Excellence at core • People at heart • Ethical and Sustainable. CIEL's Code of Ethics highlights key areas which it believes that are crucial in doing business fairly and ethically: • Business Integrity • Workplace Culture • Data Privacy • Reputation & Goodwill • Environmental & Social Values.

Corporate Governance Report

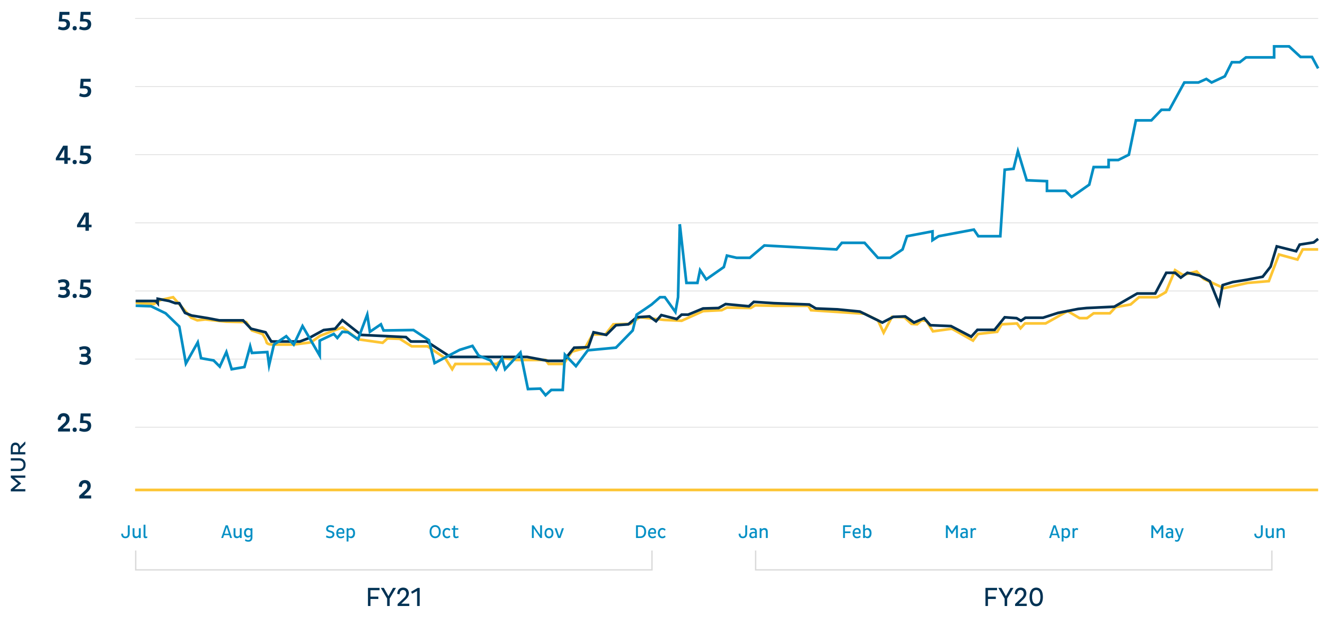
Financial year ended 30 June 2021

Shareholders' Information and Calendar of Events

Event	Month
Financial year end	30 June
Annual meeting of shareholders	December
Declaration/payment of dividend (conditional to approval by the Board)	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 the annual meeting held on 18 December 2020. The notices, including the agenda, were published in the press, in line with statutory requirements, and posted on CIEL's website. The resolutions submitted for the approval of the shareholders at the meeting 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

CATHERINE MCILRAITH
Director

CLOTHILDE DE COMARMOND, ACIS
Group Company Secretary
For and on behalf of CIEL Corporate Services Ltd

29 September 2021.

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 SEM 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 FSC since the promulgation of the Securities Act 2005. CIEL is an investment holding company, with investments in six distinct business sectors:

CIEL Agro – CIEL Finance – CIEL Healthcare – CIEL Hotels & Resorts – CIEL Properties – CIEL Textile

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 2021 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	1013	189,913	0.0113
501 - 1,000	300	239,586	0.0142
1,001 - 5,000	659	1,707,715	0.1012
5,001 - 10,000	362	2,688,380	0.1593
10,001 - 50,000	713	17,577,252	1.0416
50,001 - 100,000	247	17,849,550	1.0578
100,001 - 250,000	311	49,585,496	2.9385
250,001 - 500,000	120	42,836,852	2.5386
500,001 and above	232	1,554,770,392	92.1375
Total	**3,957**	**1,687,445,136**	**100**

Ownership by category of shareholding	Ordinary Shares		
Category	Shareholder Count	Number of Shares	Percentage Held
Individuals	3,519	555,805,463	32.9377
Insurance and Assurance companies	17	68,328,316	4.0492
Investment and Trust companies	90	393,100,310	23.2956
Pensions and Provident funds	59	160,814,135	9.5300
Other Corporate Bodies	272	509,396,912	30.1875
Total	**3,957**	**1,687,445,136**	**100**

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

The total number of active shareholders as at 30 June 2021 was 4037.

Directors of Subsidiaries

Directors of subsidiaries as at 30 June 2021 are listed in Annexure A.

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	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Directors of the Company				
Executive Directors	**-**	-	**31,975**	45,363
Non-Executive Directors	**6,699***	10,126	**2,266**	69,445
Directors of Subsidiaries				
Executive Directors	**-**	-	**174,127**	277,350
Non-Executive Directors	**-**	-	**9,857**	15,175

* Net of payment to the CIEL Covid Fund

Audit Fees as at 30 June 2021

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

	The Company		Subsidiaries	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Local External Auditors:				
Audit Fees - PwC	**1,665**	808	**18,544**	15,840
Audit Fees	**230**	-	**3,375**	2,599
Other Fees	**86**	298	**2,325**	2,264
Foreign External Auditors:				
Audit Fees	**-**	-	**16,776**	13,627
Other Fees	**-**	-	**936**	1,647

The fees in respect of other services pertain mainly to review of quarterly financial statements, tax computation & compliance and group accounts consolidation.

Other Statutory Disclosures

(Section 221 of the Mauritius Companies Act 2001)

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
Chairman of the Board

M. A. LOUIS GUIMBEAU
Director

29 September 2021.

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 2021

On behalf of the Board of Directors of CIEL, we confirm, to the best of our knowledge, that throughout the financial year ended 30 June 2021 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 Governance Report, is as follows, namely:

Principle 4 – Remuneration of Directors

P. ARNAUD DALAIS
Chairman of the Board

M. A. LOUIS GUIMBEAU
Director

29 September 2021.

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.
- 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 accuracy 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 safeguarding 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 29 September 2021.

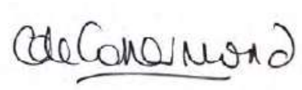
On behalf of the Board,

P. ARNAUD DALAIS
Chairman of the Board

M. A. LOUIS GUIMBEAU
Director

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 2021, 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
Group Company Secretary
For and on behalf of CIEL Corporate Services Ltd

29 September 2021.

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

Website

www.cielgroup.com

Business Registration Number

C06000717

Share Registry & 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
2nd Floor, MCB Centre
9-11 Sir William Newton Street, Port Louis
Republic of Mauritius
Tel: +230 202 5640
Fax: +230 208 1167

External Auditor

PricewaterhouseCoopers Ltd
18 Cybercity, Ebène, Réduit 72201
Republic of Mauritius

Registered Office

5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Republic of Mauritius
Tel: +230 404 2200
Fax: +230 404 2201

Internal Auditor

Ernst & Young
9th Floor, NeXTeracom Tower I, Cybercity
Ebène, Republic of Mauritius

Main Bankers

- The Mauritius Commercial Bank Ltd
- Bank One Limited

Legal Advisers

- Me. Thierry Koenig SA – ENSafrica (Mauritius)
- Me. Maxime Sauzier SC– ENSafrica (Mauritius)

Notary

- Etude Montocchio – d'Hotman

OUR APPROACH TO RISK MANAGEMENT

“

Our risk identification processes seek to identify risks from both a top-down strategic approach and a bottom-up operational perspective.

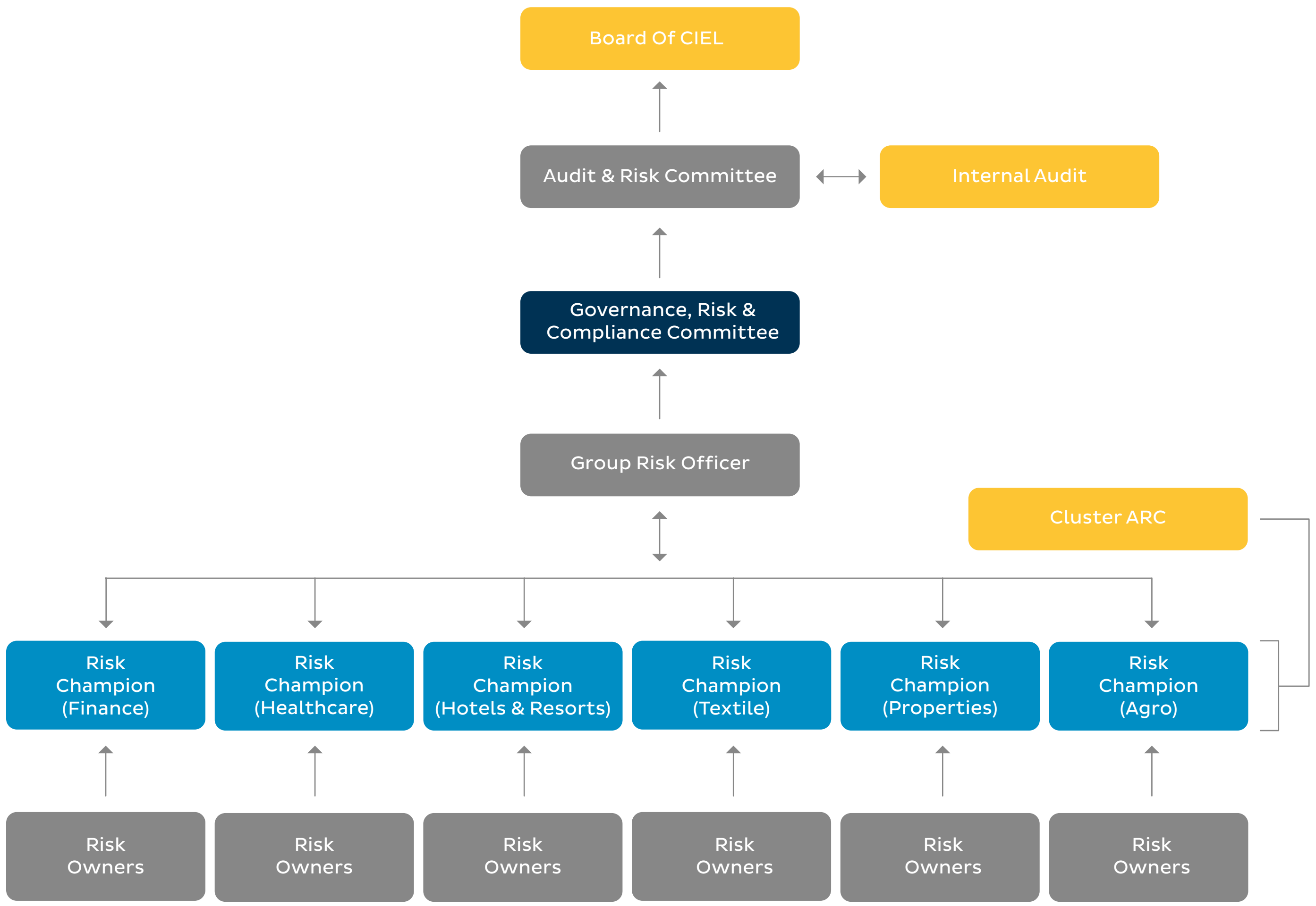
- P. Arnaud Dalais

Managing our Risk

The Group recognises the importance of identifying and managing financial and non-financial risks faced by the business. In response to this, it has developed a rigorous risk management framework designed to identify and assess the likelihood and consequences of risks, and to manage the actions necessary to mitigate their impact. Our risk identification processes seek to identify risks from both a top-down strategic approach and a bottom-up operational perspective. The Board has the overall responsibility for risk management, setting of risk appetite as well as the implementation of the risk management policy. The framework enables the business units to take advantage of attractive opportunities within defined risk limits.

The Group risk register is maintained by the Group Risk Officer and is the core of the risk management process. It contains an overall assessment of the risks faced by the Group together with the controls established to reduce those risks to an acceptable level. The Group risk register is based on detailed risk registers maintained by each cluster, which are reviewed and monitored through their own Audit and Risk Committee ("ARC") that meets at least quarterly.

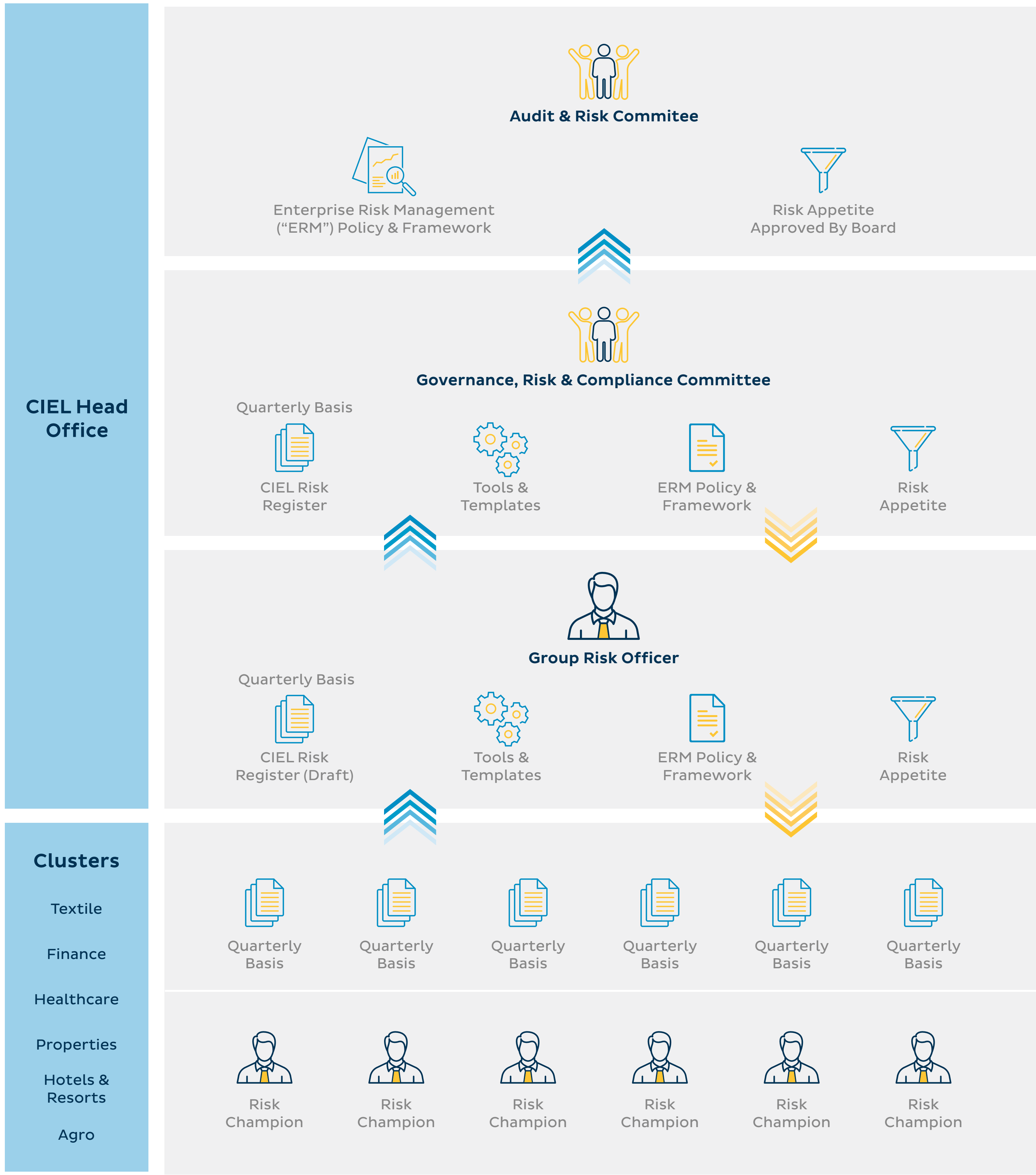
CIEL's ARC meets at least four times a year, with the objective of encouraging best risk management practices across the Group and a culture of regulatory compliance and ethical behaviour. The governance structure and associated lines of communication at CIEL are illustrated below:



Monitoring Risk throughout the Group

At CIEL, each cluster is autonomous. The cluster risk champions may opt to either use the risk management templates, risk ranking protocols and methodology provided by the Group Risk Officer and adjust same to their business context, or alternatively, establish their own methodology.

CIEL selects and consolidates risks identified at cluster level, as well as supplements these with its own specific risks to arrive at the group level risk universe as documented in the Group risk register.



Key Responsibilities of Each Stakeholder

BOARD

The Board has the ultimate responsibility for risk management and is assisted in this task by the ARC, the Governance, Risk and Compliance Committee and the Group Risk Officer.

ARC

1. Approve the ERM policy, framework, and risk appetite statement.
2. Ensure that key risks are reported in line with the established ERM policy and framework.
3. Ensure that the communication between the Board and the risk management function is clearly established.
4. Obtain reasonable assurance that the risk management system is effective, and the risk management department fulfils its duties.
5. Review the overall system of risk management.

Governance, Risk and Compliance Committee

1. Review and discuss the CIEL risk register before finalising and submitting to the ARC.
2. Validate the ERM policy and framework, and risk appetite statement before submitting same to the ARC for approval.
3. Ensure that key risks are reported, and risk heat maps are produced.
4. Ensure that risk champions fulfil their duties.

Group Risk Officer

1. Share guidance and templates with cluster risk champions.
2. Share approved CIEL ERM policy and framework with cluster risk champions.
3. Consolidate risks from the cluster's risk registers and prepare CIEL Group risk register.
4. Present the draft CIEL risk register to the Governance, Risk and Compliance Committee and the final one to the ARC.
5. Assist the Board and ARC in defining the strategy statement which clarifies the risk appetite, risk ownership and strategies to tackle risks.

Cluster Risk Champions

1. Perform risk assessments of their respective cluster.
2. Continuously monitor the risks of their respective cluster.
3. Ensure that controls are documented in the risk register to mitigate their corresponding risks.
4. Nurture a culture of risk management in their respective cluster.
5. Update and submit their risk registers and risk profile to the Group Risk Officer.

Our Current Risk Profile, and Forward-Looking statement

Our robust risk management framework helped us weather the unprecedented challenges experienced as a result of the COVID-19 pandemic. CIEL reported the pandemic as a new principal risk last year, and it remains an elevated risk. The pandemic has had a more profound impact on economies and people than originally expected. Uncertainty remains as to whether the recent lockdowns and vaccination programmes are sufficient to bring the pandemic under control and allow normal life to return and, if so, when. The various impacts of the pandemic are reflected across many of the principal risks and include our mitigation strategies for them.

Climate change and environmental disasters have also become a widely acknowledged global emergency and a key priority for governments, businesses, and citizens around the world. While risks relating to climate change and sustainability have previously been integral parts of several of our principal risks, we have now included environmental disasters and climate change as a separate risk.

The financial sector has also been through a challenging year due to increased macroeconomic uncertainty driven by the pandemic, thereby increasing its risk profile. In Mauritius, the EU and UK Blacklisting has negatively affected global business trade.

As the pandemic evolves, it will continue to threaten many sectors but has also presented opportunities for others, namely the Healthcare sector.

CIEL continues to enforce sanitary protocols and encourages a remote and work from home policy. With this new working arrangement and increased reliance on technology, we have had to increase our security and regulation protocol to fend off cyber security attacks.

Turning Crisis into Opportunity: COVID-19 as Accelerator to our Digital Transformation Journey

The need to digitally transform has been on the agenda for years. But COVID-19 has certainly been the catalyst to finally push businesses to wholly embrace new digital technologies. CIEL as a group is embracing this digital journey throughout its clusters. The key steps identified to implement the digital journey are as follows:

i) Prioritise investment in digital technologies – The Group believes having the right technology will build the foundation for digital transformation and are currently undertaking strategies to accelerate this process.

ii) Build and train skilled resources – Technologies are only one piece of the equation, and the group considers that having the right skills and resources in place will successfully drive this transformation through a focussed talent management framework.

iii) Consolidate data – Data drives the Group's decision-making process and to support informed and timeous decisions, it is necessary to have a good quality data warehouse. CIEL as a group is working toward having an integrated data warehouse.

iv) Remaining agile – To manage through recovery and to seize opportunities, the Group needs to be lean and agile. These principles underpin all our endeavours from building the right skills to choosing the right technologies, and most importantly, enabling the right culture and leadership to drive digital transformation initiatives from the white board to the real world.

Principal Risks Explained

Our principal risks profile evolves as we move through the economic cycle, and commentary on how the main risks have changed are shown below.

Risks

- Operational Risks
- Financial Risks
- Strategic Risks

Risk Level

- 5 High
- 4
- 3 Medium
- 2
- 1 Low

Capital Affected

- Financial capital
- Social & relationship capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital

Key

Risk increasing · Risk Decreasing · No Risk Mouvement

Principal Risk	Clusters Affected	Risk Appetite and Risk Score	Capitals Affected	Description & Risk Movement	Key Controls and Mitigating Factors
1. Environmental Disasters and Climate Change	Ciel Textile, Ciel Finance, Ciel Healthcare, Ciel Properties, Ciel Hotels & Resorts, Ciel Agro	4.2 Low		Climate change has the potential to change the world in which we live and operate, dramatically. Tackling climate change, by taking measures to limit its impact to manageable levels, has become a key priority for governments, businesses, and citizens around the world. Even if manageable, the effect of climate change will be quite profound, and these measures will themselves have a significant impact on economies and the choices people make. Climate change has, therefore, moved from an emerging risk to a principal risk for the business. Ecosystem management not only offers an opportunity to strengthen natural infrastructure and human resilience against hazard impacts, but also generates a range of other social, economic, and environmental benefits for multiple stakeholders, which in turn feed back into reduced risk.	Like any other business, climate change has the potential to impact ours greatly. For example, adverse weather events or natural disasters could negatively affect economies and disrupt our business day-to-day. Our commitment to improving energy performance and reducing carbon emissions in our Textile segment is intended to reduce our impact on the environment and should also deliver significant long-term cost savings. Our property cluster is also embarking in eco-friendly development projects with the successful launch of the Agri-Hub project.
2. Global Recession	Ciel Textile, Ciel Finance, Ciel Healthcare, Ciel Properties, Ciel Hotels & Resorts, Ciel Agro	4 Medium		The global economic crisis brought about by the COVID-19 pandemic through lockdowns, border closures, the collapse of trade, travel bans, and financial market volatility, was common across countries and regions. The projected recovery will be marked by the divergent circumstances of each country and the idiosyncrasies of its policy response. Success in the post-pandemic era will reflect a constellation of policies and capacities peculiar to each country, including national vaccination rates, integration into major economic blocks, the ability to provide fiscal and monetary stimulus, and the restoration of confidence in the private sector.	Despite the ongoing impact of the pandemic, the Group returned to profitability supported by certain sectors managing the effects of the pandemic well. The vaccine roll-out programmes in our major markets and government support mean that we expect the economy to be supportive in our business growth and as such have reduced the likelihood of an adverse global economic event to 'medium'. Nevertheless, we remain cognisant of market dynamics and uncertainties to ensure that the Group is positioned to respond to changes in these ever-changing global economic conditions.

Principal Risks Explained

Principal Risk	Clusters Affected	Risk Appetite and Risk Score	Capitals Affected	Description & Risk Movement	Key Controls and Mitigating Factors
3. COVID-19	Ciel Textile Ciel Finance Ciel Healthcare Ciel Properties Ciel Hotels & Resorts Ciel Agro	3.8 High		The continuing global COVID-19 pandemic may have a significant and prolonged impact on global economic conditions. The ongoing disruptions can impact our supply chains and supplier base, specifically in respect of business closures, labour shortage, raw material supply and cost inflation. An increase in employee absences can further adversely impact our operations. Failure to adapt to changes brought about by this, and any future pandemics in our markets and the environment in which we operate, may adversely affect our competitiveness and financial results. During the year, governments around the world introduced emergency public measures, including travel bans, quarantines, and public lockdowns. These measures have, to varying degrees, been relaxed then reintroduced as 'waves' of COVID-19 continued, with new variants adding to the speed of transmission. Vaccines have been rolled out with significant coverage in our core markets, however uncertainty remains as to whether recent lockdowns and the vaccination programmes are sufficient to bring the pandemic under control and allow normal life to return and, if so, when. It is also unclear how the pandemic will have changed the environment in which we operate.	The safety and wellbeing of our employees and customers has been and continues to be our overriding priority. Our Executive Committee is monitoring events closely with regular Board oversight, evaluating the impacts and designing appropriate response strategies. Our teams continue to work tirelessly to implement specific actions to minimise disruption faced by our customers in these challenging times. We have developed practices within our factories, business units, as well as our head offices. They vary between sanitary protocols and working from home, and tactics to help people adapt to the new ways of working, all the while ensuring we comply with local government regulations.
4. Cyber Security	Ciel Textile Ciel Finance Ciel Healthcare Ciel Properties Ciel Hotels & Resorts Ciel Agro	3.6 Low		A cyber-attack or serious uncured failure in our systems could result in us being unable to deliver services to our customers and/or the loss of data. We are heavily dependent on technology for the smooth running of our business. As a result, we could suffer reputational loss, revenue loss and financial penalties. This is the most significant factor in our business continuity planning.	Stringent policies surrounding security, user access, change control and the ability to download and install software have been put in place. Testing of cyber security, including system penetration testing and internal phishing training exercises, were undertaken. Use of antivirus and malware software, firewalls, email scanning and internet monitoring is an integral part of our security plan. Deliberate focus on development of the IT strategy in respect of the Group's cloud technology strategy is ongoing. Good progress has been made in enhancing the Group's cyber security profile, with a significant and ongoing investment in resources and tooling. Nevertheless, cyber security remains a continually evolving area and a priority for the Group.In relation to business continuity, our plans have been subject to continued review and update during the year and our disaster recovery plans are tested regularly. We will review these plans over the coming year to ensure that we are up to date with new emerging cyber risks.
5. Data Security and Data Privacy	Ciel Textile Ciel Finance Ciel Healthcare Ciel Properties Ciel Hotels & Resorts Ciel Agro	3.6 Low		Failure to comply with legal or regulatory requirements relating to data security and data privacy in our business activities results in reputational damage, fines, or other adverse consequences. This includes criminal penalties and consequential litigation which may result in an adverse impact on our financial performance or unfavourable effects on our ability to do business. As an organisation we hold a large amount of personal data on customers and employees. In preparation of an increase in potential threats, we continue to invest in our security and privacy programmes. The move to working from home during the pandemic has presented its own security challenges and response requirements.	We put our customers' and employees' personal data at the heart of all decisions we make in relation to data security. Our data privacy and protection policies clearly set out how we can protect and appropriately restrict customer, supplier and employee data. There is regular reporting on progress and results of the security and privacy programmes to the appropriate committees. We recognise the importance of training and communication to help prevent data security and privacy-related incidents and have regular induction, awareness and refresher courses for our employees.

Principal Risks Explained

Principal Risk	Clusters Affected	Risk Appetite and Risk Score	Capitals Affected	Description & Risk Movement	Key Controls and Mitigating Factors
6. People	Ciel Textile Ciel Finance Ciel Healthcare Ciel Properties Ciel Hotels & Resorts Ciel Agro	3.6 Low		Failure to attract, retain and develop the required capability and to embed our values in our culture results in an impact on the delivery of our purpose and business performance. Market competition for key leadership and specialist talent remains strong. The year has also presented significant people challenges in supporting vulnerable colleagues, recruiting, and training huge numbers of new permanent and temporary colleagues, supporting the shift to homeworking for most office-based employees, reinforcing our culture and driving our diversity and inclusion programmes harder. At a leadership level, succession planning is required to ensure the Group can continue to inspire the right culture, leadership and behaviours and meet its strategic objectives.	Provide well-structured and competitive reward and benefit packages that ensure our ability to attract and retain the employees we need. Our talent planning and people development processes are established across the Group. We have clear potential and performance criteria and talent principles, underpinned by our employer value proposition and strategy. Our established Group Diversity and Inclusion strategy ensures that everyone is welcome and that we provide all our colleagues with equal opportunities for growth and development. This is embedded in our values, and we are committed to building an inclusive workplace.
7. Competition and Markets	Ciel Textile Ciel Finance Ciel Healthcare Ciel Properties Ciel Hotels & Resorts Ciel Agro	3 Medium		The already competitive market could become even more competitive with new entrants, and we could suffer increased competition both locally and internationally impacting our market share. Failure to deliver an effective, coherent, and consistent strategy in response to our competitors and changes in market conditions could result in a loss of market share and profitability. We continue to face the challenges of a changing competitive landscape and price pressures across our markets. Our strategies are well-developed, and we review them regularly to remain competitive and are informed by competitor and market activity data.	Our competitive position continues to improve, and we have taken advantages of our position to grow and consolidate our position. Our Board develops and regularly challenges the strategic direction of our business to enhance our ability to remain competitive on price, range and service. This includes developing our online channels and multiple formats to allow us to compete in different markets. Our Executive Committee and operational management regularly review markets, trading opportunities, competitor strategy and activity. We carry out market scanning and competitor analysis to refine our customer proposition.

Internal control

The key elements of the Group's internal control framework are monitored throughout the year and the ARC has conducted a review of the effectiveness of the Group's risk management and internal control systems on behalf of the Board. To support the Board's annual assessment, the Group Risk Officer prepared a report on the Group's principal risks and internal controls. This describes the risk management systems and key internal controls, as well as the work conducted in the year to improve the risk and control environment, including the level of assurance undertaken. The internal control framework is intended to effectively manage rather than eliminate the risk of failure to achieve our business objectives. It can only provide reasonable, but not absolute, assurance against the risk of material misstatement or financial loss.

OUR FINANCIAL STATEMENTS

"

Our IFRS-based and audited financial statements give an in-depth look into the business.

- L. J. Jérôme De Chasteauneuf

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 2021, 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 162 to 171 comprise:

- the consolidated and separate statements of financial position as at 30 June 2021;
- 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 to the financial statements, which include 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Company **Valuation of investments in subsidiaries, joint ventures, associates and other financial assets** The Company carries its investments in subsidiaries, joint ventures, associates and other financial assets at fair value in its separate financial statements. As disclosed in notes 12,13,14 and 15 of the financial statements, the Directors apply different approaches to estimating the fair values of the investments. The valuation of the Company's investments held at fair value was a key area of audit focus owing to the magnitude, the estimation uncertainties in the assumptions, and the degree of judgment required from the Directors, particularly in the context of economic uncertainty.	For the more judgmental valuations, which may depend 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 investment securities held.
Group **Accounting for redeemable convertible bonds to Mauritius Investment Corporation** During the financial year 2021, the Group issued redeemable convertible bonds to the Mauritius Investment Corporation ('MIC'), a wholly owned subsidiary of the Bank of Mauritius As disclosed in note 27 of the financial statements, the directors have opted to account for the bonds as equity instruments. Based on the interpretation of some clauses in the agreements with MIC, the Directors had a choice to account for the redeemable bonds as either equity instruments or partly debt (liability) and equity instruments. The accounting of the MIC funding was a key area of audit focus due to the legal complexity of the agreement and the significant impact the policy choice has on the Group statement of financial position.	We obtained and reviewed the terms of the subscription agreement with the MIC. With the assistance of our internal legal specialists, we obtained and reviewed the legal opinion of the Directors' legal experts. We obtained and reviewed the accounting technical advice provided by the independent expert engaged by the Directors and discussed with our internal accounting technical specialists. We assessed whether appropriate disclosures were made by the Directors in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Group **Determination of the expected credit loss on loans and advances carried at amortised cost** The Group applied IFRS 9 'Financial Instruments' which requires the recognition of Expected Credit Losses ('ECL') on its financial instruments. As explained in note 45 of the financial statements, the ECL impairment model requires the use of complex models and significant assumptions about future economic conditions and credit behaviour, particularly for the Group's banking segment. The Directors exercised significant judgment in respect of: (a) Accounting interpretations, modelling assumptions and data used to build the ECL model. (b) Allocation of assets to stages 1, 2 or 3 using criteria in accordance with IFRS 9. (c) Identification of instruments that have experienced a significant increase in credit risk. (d) Assumptions used in the ECL model to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). (e) Incorporation of forward- looking information reflecting potential future economic events in the ECL model.	With the assistance of our internal experts: (a) We obtained an understanding and tested the relevant controls relating to the approval of credit facilities, subsequent monitoring and remediation of exposures and key system reconciliations. (b) We critically assessed the methodology applied to determine the PD, LGD and EAD used to compute the ECL against the prerequisites of IFRS 9 and the Bank's internal policies. (c) We challenged the appropriateness of the parameters and significant assumptions, including forward-looking information, incorporated into the ECL model, by benchmarking these against independent external sources, with a particular focus on the impact of Covid-19. (d) We validated a sample of critical data elements used as input to determine the PD, LGD and EAD to relevant source documentation. (e) We performed risk-based substantive testing of the ECL model by independently re-building certain assumptions and comparing the ECL output of the Bank to our own calculated expectations as determined by applying the Bank's model methodology to the underlying data. (f) We evaluated the Bank's staging assessment, in light of the moratoriums granted and challenged the judgements used to determine whether borrowers will only face temporary cash flow issues or more chronic problems which might cause them to default even after the payment deferral period is over. (g) We assessed the adequacy of the financial statement disclosures against the requirements of IFRS 9 to ensure that these appropriately reflect the Bank's credit risk exposures.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Group **Impairment of goodwill** As disclosed in note 11 of the financial statements, the Group has goodwill amounting to MUR 1.3Bn (2020: MUR 1.3Bn) for which it has concluded that no impairment exists as of 30 June 2021 (2020: impairment of MUR 128M). The Directors assessed the recoverable amount of the goodwill using a discounted cash flow model to determine the recoverable amount of the cash generating unit (CGU) 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 considering the significance of the amounts involved and the level of judgement and estimation required from the Directors.	As part of our planning procedures, we obtained an understanding of the key controls relating to the impairment review process. We also obtained the Directors' assessment of the recoverable amounts of the different CGUs. We assessed the validity of the assumptions used in the cash flow models by comparing these assumptions to our independently derived expectations, independent external market data, other analyst forecasts and competitor trading updates for indicators of contradictory evidence to challenge these forecasts. For the Hotels & Resorts segment, this included specific consideration of the expected rate of recovery of passenger numbers in the context of the current travel restrictions and the expectations of how long they may remain in place. In order to address management bias in the forecasted cash flows, the budgeted figures of the CGUs that were used in the previous year were back tested to the actual experience. We also considered reasonably possible changes in key assumptions, including making allowance for the near term weaker trading from the impact of Covid-19, specifically for the Hotels & Resorts segment. Terminal growth rates have been assessed for reasonableness based on market expected long-term growth rates. In order to determine the reasonableness of the discount rates, the rates used in the cash flow models (on a sample basis) were compared to a range of discount rates independently calculated by us, with the support of our internal valuation experts, based on the markets in which the CGU operate and taking into account the nature of the CGUs. We also verified the mathematical accuracy of the models. We assessed whether appropriate disclosures were made by the Directors in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Group **Valuation of land and buildings (See note 9(a) of the financial statements)** As at 30 June 2021, the Group had land and buildings amounting to MUR 20Bn (2020: MUR 21Bn) included as part of its property, plant and equipment in the consolidated statement of financial position of which MUR 14Bn (2020: MUR 15Bn) related to the Hotels & Resorts segment. The fair value gain recorded in the current financial period amounts to MUR 1.2Bn (2020: MUR 1.1Bn) which includes an amount of MUR 946M (2020: MUR 405M) for the Hotels & Resorts segment. It is the Group's policy that land and buildings are stated at fair value based on periodic valuations, conducted by an independent external valuer, less subsequent depreciation and impairment for buildings. The fair value was determined in line with IFRS 13 to which certain valuation methods are subscribed to determine the fair value. The fair values are computed by the external valuer using factual information and professional judgement concerning market conditions and factors impacting the individual properties. As at the valuation date, the Hotels & Resorts segment continues to be faced with an unprecedented set of circumstances caused by Covid-19 and the independent valuation is therefore reported as being subject to 'material uncertainty' as set out in VPS3 and VPGA10 of the RICs valuation – Global Standards. Consequently, in respect of these valuations, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. However, the 'material uncertainty' is included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. The valuation of land and buildings for the Hotels & Resorts segment was considered to be a key audit matter due to its significance on the consolidated statement of financial position and also due to the fact that it is inherently subjective as it involves a number of significant estimates and judgement which might materially affect the carrying value of the revalued assets. Please refer to note 2.2 of the financial statements for detail on these estimates and judgments.	We evaluated the appropriateness of the design and implementation of the Group's key controls to address the risk over the valuation of land and buildings. We assessed the competence, experience, independence and integrity of the external valuation experts. We assessed the appropriateness of the valuation methodology used by the external valuers for determining the fair value of land and buildings of the Group by comparing it to similar valuations in the market. We discussed and challenged key inputs and assumptions used by the external valuers, paying particular attention to the level of judgement applied as a result of COVID-19. Our valuation experts assessed the reasonableness of the fair values attributed to the different properties of the Group and the significant assumptions used by the external valuers in this exercise by benchmarking against best current available industry data and historical rates. We verified that the fair value determined by the independent valuation expert for each property was correctly included in the consolidated financial statements. We evaluated whether disclosures in the financial statements relating to the valuation of properties were in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Group **Basis of preparation – Impact of Covid-19 on the Hotels & Resorts segment (See note 2.1 of the financial statements)** The Directors of SUN Limited have evaluated the inherent risks including the impact of Covid-19 to the Hotels & Resorts segment business model and how these risks might affect the segment's financial resources or ability to continue operations up to 30 June 2022. In undertaking their assessment of going concern for the segment, the Directors of SUN Limited prepared the future performance and anticipated cash flows, including appropriate sensitivities and a worst-case scenario test of the segment's liquidity, if limitations are placed on incoming tourists. This is a key audit matter as there is significantly more judgement applied in developing cash flow forecasts including assumptions relating to the date when the segment's resorts will be able to re-open despite official announcements made by the Government of Mauritius and considering the prevailing sanitary conditions in Mauritius and the segment's main source markets (UK, France and South Africa).	We obtained the segment's approved forecast cash flows by the board of SUN Limited, covering the period up to 30 June 2022 ('the going concern period'). We assessed the plausibility of the Directors downside scenario by evaluating the actual Covid-19 impact on the Group to date and comparing it to external industry analysis to consider the wider outlook for the industry as a whole. We: • performed our own independent reverse stress testing on the forecasts to understand how severe the downside scenarios would have to be to result in the elimination of liquidity headroom. • considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. • challenged the quantum of the potential mitigating actions to reduce costs with reference to supporting evidence and assessed whether the mitigating actions were within the Group's control. Furthermore, we reviewed the adequacy and appropriateness of the Directors' going concern disclosures in the 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 Mauritian Financial Reporting Act 2004 requires us to report certain matters as described below.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Corporate Governance Report

Our responsibility under the Mauritian 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 Mauritian 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 solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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

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, actions taken to eliminate threats or safeguards applied.

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;

(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.

PricewaterhouseCoopers

29 September 2021

Robert Coutet, licensed by FRC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP 2021 MUR' 000	THE GROUP Restated 2020 MUR' 000	THE COMPANY 2021 MUR' 000	THE COMPANY 2020 MUR' 000
Revenue	4	17,868,627	20,955,620	367,508	381,044
Earnings before interest, tax, depreciation, amortisation, impairments, reorganisation costs and fair value gain on investment property	5(a)	2,697,440	3,052,694	269,668	305,754
Depreciation and amortisation	7(c)	(1,300,835)	(1,341,233)	-	-
Earnings before interest, tax, impairments, reorganisation costs and fair value gain on investment property		1,396,605	1,711,461	269,668	305,754
Impairment of non-financial assets and reorganisation costs	7(b)(i)	(203,217)	(638,458)	-	-
Impairment of financial assets	7(b)(ii)	(372,629)	(739,937)	-	-
Fair value gain on investment property	10	959,638	160,297	-	-
Finance costs	6	(1,294,966)	(1,486,701)	(140,134)	(143,791)
Finance income	6	20,071	47,455	576	3,829
Impairment of associates	14	-	(108,744)	-	-
Share of results of associates and joint ventures	7(d)	267,304	(51,534)	-	-
Profit/(loss) before income tax		772,806	(1,106,161)	130,110	165,792
Income tax expense	35	(79,548)	(189,073)	(407)	(606)
Profit/(loss) for the year from continuing operations		693,258	(1,295,234)	129,703	165,186
Loss from discontinued operations	47	(247,381)	(882,910)	-	-
Profit/(loss) for the year		445,877	(2,178,144)	-	-
Profit/(loss) attributable to:					
Owners		617,391	(1,679,713)	129,703	165,186
Non-controlling interests		(171,514)	(498,431)	-	-
		445,877	(2,178,144)	129,703	165,186

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP 2021 MUR' 000	THE GROUP Restated 2020 MUR' 000	THE COMPANY 2021 MUR' 000	THE COMPANY 2020 MUR' 000
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	9	1,175,801	1,075,647	-	-
Deferred income tax on gain on revaluation of land and buildings	30(c)	(112,166)	(140,364)	-	-
Remeasurements of post-employment benefit obligations	31	299,442	(327,825)	-	-
Deferred income tax on remeasurements of post-employment benefit obligations	30(c)	(37,562)	37,904	-	-
Change in the fair value of equity instruments at fair value through other comprehensive income	12-15	87,193	6,484	5,419,624	(1,727,285)
Loss on disposal of equity instruments at fair value through other comprehensive income		(6,292)	-	(6,292)	-
Share of other comprehensive income of associates and joint ventures	7(d)	48,381	(47,745)	-	-
Items that may be reclassified to profit or loss:					
Currency translation differences		246,623	297,692	-	-
Cash flow hedges		(414,761)	(104,626)	-	-
Deferred income tax on cash flow hedges	30(c)	(1,398)	(1,012)	-	-
Share of other comprehensive income of associates and joint ventures	7(d)	(9,823)	86,870	-	-
Other comprehensive income for the year, net of tax		1,275,438	883,025	5,413,332	(1,727,285)
Total comprehensive income for the year		1,721,315	(1,295,119)	5,543,035	(1,562,099)
Total comprehensive income for the year is attributable to:					
Owners		1,401,210	(1,082,604)	5,543,035	(1,562,099)
Non-controlling interests		320,105	(212,515)	-	-
		1,721,315	(1,295,119)	5,543,035	(1,562,099)
Total comprehensive income for the year attributable to owners arises from:					
Continuing operations		1,978,198	(402,707)	5,543,035	(1,562,099)
Discontinued operations		(256,883)	(892,412)	-	-
		1,721,315	(1,295,119)	5,543,035	(1,562,099)
Basic and diluted earnings/(loss) per share from continuing operations (MUR)	8	0.45	(0.70)	0.08	0.10
Basic and diluted earnings/(loss) per share (MUR)	8	0.37	(1.00)	0.08	0.10

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021 (CONT'D)

		THE GROUP			THE COMPANY	
		30-Jun	30-Jun	01-Jul	30-Jun	30-Jun
		2021	2020	2019	2021	2020
	Notes		Restated	Restated		
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Non-current assets						
Property, plant and equipment	9(a)	23,219,610	25,013,187	24,600,742	-	-
Right-of-use assets	9(b)	2,811,241	3,038,095	-	-	-
Investment properties	10	2,741,592	1,780,315	1,611,573	-	-
Intangible assets	11	1,468,778	1,524,605	1,702,272	-	-
Investments in subsidiary companies	12	-	-	-	18,243,634	12,928,917
Investments in joint ventures	13	1,979,279	1,973,154	1,718,847	89,908	35,371
Investments in associates	14	3,984,327	3,987,741	4,297,488	227,040	75,028
Investments in other financial assets	15	459,852	372,489	356,968	25,011	28,928
Loans and advances to customers	22	6,810,443	5,544,688	3,851,791	-	-
Investments in securities	24	3,753,001	2,909,918	3,052,681	-	-
Leasehold rights and land prepayments	16	-	-	534,677	-	-
Other receivables	17	49,258	45,663	51,456	-	-
Deferred income tax assets	30	419,361	427,768	161,685	-	-
		47,696,742	46,617,623	41,940,180	18,585,593	13,068,244
Current assets						
Inventories	18	3,744,853	3,417,231	3,799,241	-	-
Trade and other receivables	19	5,611,912	5,479,616	6,145,043	318,783	15,302
Derivative financial instruments	42	74,380	107,479	53,044	-	-
Loans and advances to customers	22	13,057,670	11,063,963	8,833,893	-	-
Loans to banks	23	-	40,297	413,309	-	-
Investments in securities	24	2,455,016	1,802,616	1,446,156	-	-
Current income tax assets	35	150,951	45,087	14,002	-	-
Cash and cash equivalents	20	9,931,175	8,239,849	6,204,956	6,797	25,649
		35,025,957	30,196,138	26,909,644	325,580	40,951
Assets classified as held for sale	21	1,403,473	131,969	12,726	-	-
		36,429,430	30,328,107	26,922,370	325,580	40,951
TOTAL ASSETS		84,126,172	76,945,730	68,862,550	18,911,173	13,109,195

These financial statements have been approved for issue by the Board of Directors on 29 September 2021.

P. ARNAUD DALAIS
Chairman of the Board

M. A. LOUIS GUIMBEAU
Director

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021 (CONT'D)

		THE GROUP			THE COMPANY	
		30-Jun	30-Jun	1-Jul	30-Jun	30-Jun
		2021	2020	2019	2021	2020
	Notes		Restated	Restated		
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	25	5,140,994	5,139,579	5,099,561	5,140,994	5,139,579
Redeemable restricted A shares	26	39,233	39,233	39,233	39,233	39,233
Retained earnings		3,159,723	2,579,186	5,161,880	2,427,311	2,302,675
Revaluation, fair value and other reserves	27	4,341,291	3,542,962	2,830,296	8,071,758	2,656,930
Convertible bonds	27(b)	2,264,792	-	-	-	-
		14,946,033	11,300,960	13,130,970	15,679,296	10,138,417
Less treasury shares	25	(14,624)	(18,005)	(149,347)	(14,624)	(18,005)
Owners' interest		14,931,409	11,282,955	12,981,623	15,664,672	10,120,412
Non-controlling interests		7,253,727	7,330,803	9,242,211	-	-
Total equity		22,185,136	18,613,758	22,223,834	15,664,672	10,120,412
Non-current liabilities						
Borrowings	29	11,106,822	10,642,879	11,299,937	2,984,635	2,487,637
Lease liabilities	9(b)	3,014,504	3,327,056	177,574	-	-
Deferred income tax liabilities	30(c)	1,359,649	1,487,782	1,223,961	-	-
Retirement benefit obligations	31	726,013	1,026,263	797,035	-	-
Deposits from customers	37	8,990	8,253	667,338	-	-
Provisions for other liabilities and changes	32	62,421	96,428	130,423	-	-
Other payables and deferred revenue	33	179,218	243,207	193,699	-	-
		16,457,617	16,831,868	14,489,967	2,984,635	2,487,637
Current liabilities						
Borrowings	29	8,242,810	10,103,097	5,817,827	218,718	480,805
Lease liabilities	9(b)	250,659	232,277	2,856	-	-
Trade and other payables	34	7,058,016	6,364,411	6,503,532	43,067	19,898
Derivative financial instruments	42	92,691	132,003	27,375	-	-
Deposits from customers	37	29,079,209	24,624,024	19,410,977	-	-
Current income tax liabilities	35	60,889	21,949	113,224	81	443
Provisions for other liabilities and charges	32	38,673	22,343	40,520	-	-
Dividend payable	36	-	-	232,438	-	-
Other payables and deferred revenue	33	99,715	-	-	-	-
		44,922,662	41,500,104	32,148,749	261,866	501,146
Liabilities directly associated with assets classified as held for sale	21	560,757	-	-	-	-
		45,483,419	41,500,104	32,148,749	261,866	501,146
TOTAL LIABILITIES		61,941,036	58,331,972	46,638,716	3,246,501	2,988,783
TOTAL EQUITY AND LIABILITIES		84,126,172	76,945,730	68,862,550	18,911,173	13,109,195
Net asset value per share (MUR)	8	8.85	6.69	7.82	9.28	6.00

These financial statements have been approved for issue by the Board of Directors on 29 September 2021.

P. ARNAUD DALAIS
Chairman of the Board

M. A. LOUIS GUIMBEAU
Director

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

THE GROUP	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserve	Revaluation and other reserves	Retained earnings	Convertible bonds	Total	Non controlling interest	Total equity
		Attributable to owners										
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 01 July 2020, as restated		5,139,579	39,233	(18,005)	5,267	53,990	3,483,705	2,579,186	–	11,282,955	7,330,803	18,613,758
Profit for the year		–	–	–	–	–	–	617,391	–	617,391	(171,514)	445,877
Other comprehensive income for the year		–	–	–	–	67,792	629,195	86,832	–	783,819	491,619	1,275,438
Total comprehensive income for the year		–	–	–	–	67,792	629,195	704,223	–	1,401,210	320,105	1,721,315
Transfer of reserve on disposal of equity investments at fair value through other comprehensive income to retained earnings	(iii)	–	–	–	–	–	65,978	(65,978)	–	–	–	–
Transactions with owners in their capacity as owners												
Issue of shares		–	–	–	–	–	–	–	–	–	45,797	45,797
Change in ownership interest that do not result in loss of control		–	–	–	–	–	–	(719)	–	(719)	719	–
Employee share option scheme	25	1,415		3,381	(4,796)	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	(446,888)	(446,888)
Unclaimed dividends written back		–	–	–	–	–	–	1,225	–	1,225	–	1,225
Issue of convertible bonds	27(b)	–	–	–	–	–	–	–	2,264,792	2,264,792	–	2,264,792
Other movements		–	–	–	–	–	40,160	(58,214)	–	(18,054)	3,191	(14,863)
Total transactions with owners		1,415	–	3,381	(4,796)	–	40,160	(57,708)	2,264,792	2,247,244	(397,181)	1,850,063
Balance at 30 June 2021		5,140,994	39,233	(14,624)	471	121,782	4,219,038	3,159,723	2,264,792	14,931,409	7,253,727	22,185,136

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021 (CONT'D)

THE GROUP		Attributable to owners									
	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	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	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 01 July 2019, as previously stated		5,099,561	39,233	(149,347)	19,450	42,558	2,768,288	5,115,438	12,935,181	9,195,956	22,131,137
Effect of prior year adjustments	46	-	-	-	-	-	-	46,442	46,442	46,255	92,697
Balance at 01 July 2019, as restated		5,099,561	39,233	(149,347)	19,450	42,558	2,768,288	5,161,880	12,981,623	9,242,211	22,223,834
Effect of adoption of IFRS 16	9(b)	-	-	-	-	-	-	(510,507)	(510,507)	(446,237)	(956,744)
		5,099,561	39,233	(149,347)	19,450	42,558	2,768,288	4,651,373	12,471,116	8,795,974	21,267,090
Profit for the year, as restated		-	-	-	-	-	-	(1,679,713)	(1,679,713)	(498,431)	(2,178,144)
Other comprehensive income for the year		-	-	-	-	11,432	674,783	(89,105)	597,110	285,915	883,025
Total comprehensive income for the year, as restated		-	-	-	-	11,432	674,783	(1,768,818)	(1,082,603)	(212,516)	(1,295,119)
Transactions with owners in their capacity as owners											
Issue of shares	25, 27	36,855	-	119,641	(14,183)	-	-	-	142,313	-	142,313
Change in ownership interest that do not result in loss of control		-	-	-	-	-	-	(128,428)	(128,428)	(793,961)	(922,389)
Employee share option scheme	25	3,163	-	11,701	-	-	-	-	14,864	-	14,864
Dividends		-	-	-	-	-	-	(134,747)	(134,747)	(458,694)	(593,441)
Unclaimed dividends written back		-	-	-	-	-	-	440	440	-	440
Other movements		-	-	-	-	-	40,634	(40,634)	-	-	-
Total transactions with owners		40,018	-	131,342	(14,183)	-	40,634	(303,369)	(105,558)	(1,252,655)	(1,358,213)
Balance at 30 June 2020, as restated		5,139,579	39,233	(18,005)	5,267	53,990	3,483,705	2,579,186	11,282,955	7,330,803	18,613,758

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.

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 of provisions in line with the Bank of Mauritius macroprudential guidelines.

(iii) Movement between revaluation and retained earnings arise on disposal of the associate, Kibo Fund LLC.

The notes on pages 172 to 330 form an integral part of these financial statements.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

THE COMPANY

	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserves	Retained earnings	Total equity
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 1 July 2020		5,139,579	39,233	(18,005)	5,268	2,651,662	2,302,675	10,120,412
Profit for the year		-	-	-	-	-	129,703	129,703
Other comprehensive income for the year		-	-	-	-	5,419,624	(6,292)	5,413,332
Total comprehensive income for the year		-	-	-	-	5,419,624	123,411	5,543,035
Transactions with owners in their capacity as owners								
Employee share option scheme	25	1,415	-	3,381	(4,796)	-	-	-
Unclaimed dividends written back		-	-	-	-	-	1,225	1,225
Total transactions with owners of parent		1,415	-	3,381	(4,796)	-	1,225	1,225
Balance at 30 June 2021		5,140,994	39,233	(14,624)	472	8,071,286	2,427,311	15,664,672

THE COMPANY

	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserves	Retained earnings	Total equity
	Notes	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 1 July 2019		5,099,561	39,233	(149,347)	19,450	4,378,947	2,271,796	11,659,640
Profit for the year		-	-	-	-	-	165,186	165,186
Other comprehensive income for the year		-	-	-	-	(1,727,285)	-	(1,727,285)
Total comprehensive income for the year		-	-	-	-	(1,727,285)	165,186	(1,562,099)
Transactions with owners in their capacity as owners								
Issue of shares	25	36,855	-	119,641	(14,182)	-	-	142,314
Dividends	36	-	-	-	-	-	(134,747)	(134,747)
Employee share option scheme	25	3,163	-	11,701	-	-	-	14,864
Unclaimed dividends written back		-	-	-	-	-	440	440
Total transactions with owners of parent		40,018	-	131,342	(14,182)	-	(134,307)	22,871
Balance at 30 June 2020		5,139,579	39,233	(18,005)	5,268	2,651,662	2,302,675	10,120,412

The notes on pages 172 to 330 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
	Notes		Restated		
		MUR '000	MUR '000	MUR '000	MUR '000
Cash flows from operating activities					
Cash generated from operations	38	2,405,842	3,091,313	(9,566)	460,906
Interest paid		(910,642)	(843,926)	(139,987)	(143,795)
Interest received		20,071	47,651	576	3,829
Tax paid	35	(364,082)	(399,666)	(770)	(163)
Net cash generated from operating activities		1,151,189	1,895,372	(149,747)	320,777
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)	9(a)	(788,746)	(965,484)	-	-
Purchase of investment properties	10	-	(1,670)	-	-
Purchase of investments in associated companies	14	-	(3,047)	-	-
Purchase of investments in joint venture	13	(50,000)	(300,000)	(50,000)	-
Purchase of other financial assets	15	(3,912)	(25,480)	-	-
Purchase of intangible assets	11	(32,652)	(35,673)	-	-
Proceeds from disposal of PPE		1,652,131	23,438	-	-
Proceeds from disposal of investment property		48,270	4,536	-	-
Dividends received from associates	14	156,005	138,197	-	-
Proceeds from disposal of associated companies	14	25,101	-	-	-
Proceeds from disposal of financial assets		1,095	17,326	-	16,316
Investment in other assets		(3,595)	5,793	-	-
Net cash (used in)/generated from investing activities		1,003,697	(1,142,064)	(50,000)	(16,316)
Cash flow from financing activities					
Proceeds from borrowings	39(b)	6,947,926	5,611,484	504,117	350,546
Repayment of borrowings	39(b)	(8,561,619)	(2,355,580)	(450,000)	(70,051)
Repayments of principal element of leases	39(b)	(204,389)	(289,055)	-	-
Proceeds from convertible bonds	27(b)	2,264,792	-	-	-
Dividends paid to non-controlling interests		(407,897)	(458,694)	-	-
Acquisition of interests in subsidiary company	12	-	(820,664)	(54,018)	(512,488)
Issue of shares to non-controlling interest		45,797	56,674	-	-
Dividends paid to parent	36	-	(366,745)	-	(366,745)
Net cash from (used in) financing activities		84,610	1,377,420	99	(86,250)
Increase/(decrease) in cash and cash equivalents		2,239,496	2,130,728	(199,648)	(598,738)
Movement in cash and cash equivalents					
At 1 July		6,884,244	4,501,358	25,649	287,294
Exchange differences		68,238	252,158	-	-
Increase/(decrease)		2,239,496	2,130,728	(199,648)	(261,645)
At 30 June	39(b)	9,191,978	6,884,244	(173,999)	25,649

The notes on pages 172 to 330 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

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 and domiciled 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 six strategic sectors namely textile, agro, 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 ACCOUNTING

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements of CIEL Limited are prepared in compliance with the Mauritius Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB'). The financial statements are also prepared in line with interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and any other regulatory requirements.

(b) Historical cost convention

The financial statements are prepared on a going concern basis and include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are prepared under the historical cost convention except for:

Company - Investments in subsidiaries measured at fair value through other comprehensive income ('FVOCI')
Investments in associates measured at FVOCI
Investments in joint ventures measured at FVOCI
Investments in other financial assets measured at FVOCI

Group - Land and buildings at fair value
Investment properties at fair value
Derivative financial instruments at fair value through profit or loss ('FVPL')

Where necessary the comparative figures have been amended to conform with change in presentation of the current year.

(c) Going concern

The outbreak of Coronavirus (Covid-19) has had unprecedented effects on the Group's and the Company's results. The measures implemented locally and worldwide, including international travel restrictions, have caused disruptions to the Group's operations. As Covid-19 continues to evolve, the extent of the impact of the pandemic remains uncertain as it is dependent on future developments that cannot be accurately predicted at this time. The Directors have assessed the Group's and Company's ability to continue as a going concern as follows:

i) Company

The Company has made a profit of **MUR 130M** (2020: MUR 165M) for the year ended 30 June 2021 and its total assets exceed its total liabilities by **MUR 15.7Bn** (2020: MUR 10.1Bn). The Company is also in a net current asset position of **MUR 64M** (2020: net current liability position of MUR 460M). As such, the Directors are of the opinion that the Company will be able to continue as a going concern.

ii) Group

The Group made a profit of **MUR 446M** (2020: loss of MUR 2.2Bn) for the year ended 30 June 2021 and had net current liabilities of **MUR 9Bn** (2020: MUR 11Bn) as of that date. Excluding the fair value gain on investment property amounting to **MUR 960M** (2020 - MUR 160M), the Group made a loss of **MUR 514M** (2020: loss of MUR 2.3Bn) for the year ended 30 June 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(c) Going concern (Cont'd)

ii) Group (Cont'd)

With the current and anticipated economic conditions related to the Covid-19 pandemic, the Directors of SUN Limited, which is the Hotels and Resorts segment of the Group, have performed a detailed assessment and concluded on SUN Limited's ability to continue as a going concern as described in the sub-section below.

On this basis, the CIEL Group's financial statements are prepared on the going concern basis. Given the Group's available cash resources and the other actions taken by management to mitigate the financial and operational impact of Covid-19, the Directors are of the view that the CIEL Group has sufficient resources to continue operations as a going concern in a sustainable manner.

SUN Limited

SUN Limited and its subsidiaries ("SUN Group") had accumulated losses of **MUR 3.62Bn** (2020: MUR 1.80Bn) as at 30 June 2021. Sun Group's current liabilities exceeded the current assets by **MUR 1.45Bn** (2020: MUR 3.56Bn) at 30 June 2021.

The Covid-19 pandemic has impacted the tourism industry worldwide in the financial year ended 30 June 2021. Mauritius' borders remained closed throughout, with the tourism industry registering no tourists. The borders were reopened on 15 July 2021, but the Government continue to maintain strict sanitary restrictions with mandatory quarantine until 30 September 2021, when herd immunity is expected to be achieved.

With the border closure, SUN Group reinforced its cost reduction measures which were implemented during the initial lockdown in March 2020 and embarked on a major restructuring exercise to significantly reduce its fixed cost base compared to pre-Covid-19 level.

The following factors contributed to ensuring enough cash flows to sustain SUN Group's working capital for the year ended 30 June 2021:

- Maximising revenues from quarantine and local businesses;
- Support from the Mauritius Investment Corporation Ltd in the form of redeemable convertible bonds of MUR 3.1Bn was secured;
- Refinancing and/or deferral of existing bank loans;
- Receipts of the Government Wage Assistance Scheme to cover part of its wages bill; and
- State land lease waiver for its resorts

Furthermore, the proceeds from the strategic disposal of its only resort in the Maldives in May 2021 shall allow short-term debt commitments to be met.

Management of SUN Group has prepared forecasted cash flows for the financial year ending 30 June 2022 to assess the ability of the SUN Group to operate as a going concern. The cash flow projections were derived while considering the remaining funding to be received from the Mauritius Investment Corporation Ltd ("MIC") and Government measures announced as follows:

- Extension of the Government Wage Assistance Scheme up to 30 September 2021;
- As per the guidelines issued by the Bank of Mauritius, all existing bank loans repayment are to be deferred until 30 June 2022 due to the Covid-19 impact on the tourism industry; and
- Deferral of the state land lease for resorts for FY 21-22 to 30 June 2022.

The main assumptions considered in the forecasted cash flows are:

- No revenue is expected in Phase 1 opening of the borders, that is in first quarter of the financial year ending 30 June 2022;
- Opening of all resorts as from 1 October 2021, with a 23% drop in room nights in FY 2022 as compared to FY 2019 (9 months pre-Covid-19); and
- Debtors' collections and suppliers' payments have been assumed in line with previous years.

The management of SUN Group has also performed a worst-case scenario with very low occupancy (drop of 50% in room nights from FY2019) and longer debtors' collections. With this scenario, SUN Group is still expected to have a positive cash headroom at 30 June 2022, even though strict cost reduction measures have not been captured in the worst case scenario, such as the reduction of major expenses (voluntary pay cut, leave without pay and suspension of material contracts) and expected support to be provided by Government (Wage Assistance Scheme, state land lease deferral, deferral of principal and interest by lenders and additional support funds from the MIC).

Based on cash flow forecast projections for the next 12 months and the funding secured so far, the Directors of the SUN Group are of the view that the SUN Group will be able to meet its financial obligations and fund its operational losses that can result from the continuing Covid-19 impact in the next financial year. Accordingly, the financial statements of SUN Limited have also been prepared on the going concern basis. As such, the directors of the Group are of the view that the Group will be able to operate as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(d) Impact of Covid-19

Due to the coronavirus (Covid-19) pandemic, national lockdowns, imposed by governments worldwide, have resulted in extensive travel restrictions and quarantine measures. This has impacted a wide range of industries whereby certain businesses have had to limit or suspend their operations. In the CIEL Group, aside from the hotels and resorts segment, all other segments have fared well during the year, returning to a profit-making position. Refer to note 3 on Segment Information for further details.

Given that the Group had already been impacted by Covid-19 in the previous financial year, whereby significant provisions were already made in respect of certain assets, as disclosed in note 7 of the financial statements, the specific areas of judgement detailed in note 2.2 of the accounting policies did not significantly change this year as a result of Covid-19, other than on the accounting of the convertible bonds, which were received by the hotels and resorts segment from the Mauritius Investment Corporation during the year. Further details regarding the judgement and accounting policies applied are given in note 2 of the financial statements, while the terms and conditions are given in note 27(b).

Nevertheless, given the continued prevalence of pandemic worldwide, the Directors have continued to apply significant judgement and estimates during this financial year in the preparation of the financial statements.

In addition to the key areas where additional judgement has been applied, the following balances and related disclosures have also been impacted by Covid-19:

The Group

Description	**Additional information**
Overall application of the going concern principle The Directors of CIEL Limited and the Directors of the subsidiaries have also assessed the respective entities' ability to continue as a going concern. Particular attention was given to the hotels and resorts segment given the impact Covid-19 has had on this segment.	Refer to note 2.1.
Convertible bonds Two of the subsidiaries in the hotels and resorts segment obtained financial support from the Mauritius Investment Corporation in the form of redeemable convertible bonds for an amount of MUR 2.275Bn during the year. Significant judgement has been applied by the Directors in the determination of the appropriate accounting treatment for this type of instrument.	Refer to notes 2 and 27(b).
Property, plant and equipment and goodwill While significant impairment was already accounted for in the previous years, the Directors of each subsidiary have again performed an impairment assessment of the carrying amounts of property, plant and equipment and goodwill as at 30 June 2021 and no additional impairment was deemed necessary.	Refer to notes 7 for impairment accounted for in the previous year, and notes 9 and 11 for details of the impairment assessment performed.
Expected credit loss on financial assets carried at amortised cost A significant portion of the financial assets carried at amortised cost lies under the Malagasy banking subsidiary, BNI Madagascar. During the year, the Directors factored in the impact of Covid-19 on the Malagasy economy while computing the expected credit loss. The impact of loan moratoriums given to clients on their respective staging was also considered.	Refer to note 45.

(d) Impact of Covid-19 (Cont'd)

The Company

Description	**Additional information**
Fair value of investments at fair value through other comprehensive income When assessing the fair value measurement of financial instruments for this period, the Company has reviewed the relevance of the valuation models that have been used in the previous years and made necessary updates where applicable. The appropriateness of the inputs to valuations was also considered, as well as the impact of any change in inputs on the classification of exposures in the fair value hierarchy, transfers within the fair value hierarchy and the level 3 sensitivity analysis that may be required if applicable.	Refer to notes 12 to 15.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of CIEL Limited and its subsidiaries as at 30 June 2021.

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 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, it 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 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 an 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(f) 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") and rounded to the nearest thousand (MUR '000). 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.

(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 reporting date;

(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, 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.

(g) (i) Earnings before interest, tax, depreciation, amortisation, impairments, reorganisation costs and fair value gain on investment property

Earnings before interest, tax, depreciation, amortisation, impairments reorganisation costs and fair value gain on investment property is stated after adding to earnings before interest, tax, depreciation and amortisation, the significant impairment charges incurred on the Group's assets, reorganisation costs and fair value gain on investment property during the year. The Directors make use of this measure to monitor the operational performance of the Group as they deem that it shows the underlying performance of the Group more accurately.

During the year ended 30 June 2021, the Group received a letter of intent from the Economic Development Board for the development of a Smart City project, which caused a significant increase in the fair value of the property earmarked for this project. To enhance the understandability of the impact of the day-to-day operations aside from this transaction, the Directors determined that it was more appropriate to present the fair value gain on the investment property separately.

(ii) Earnings before interest, tax, impairments, reorganisation costs and fair value gain on investment property

Earnings before interest, tax, impairments, reorganisation costs and fair value gain on investment property stated after adding to earnings before interest and tax, the significant impairment charges incurred on the Group's assets, reorganisation costs and fair value gain on investment property during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(h) 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.

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

The Group classifies its financial assets in the following measurement categories:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (Cont'd)

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

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.
- All financial assets not classified as amortised cost or FVOCI as described above are classified as FVPL and held at fair value. This includes all derivative financial assets. On initial recognition, the Group may irrevocably elect to designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This election is made on an individual instrument basis.
- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss when the Group's and/or the Company's right to receive the return is established, unless such instrument is designated in a hedging relationship.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (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 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 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.

- **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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.1 Basis of preparation (Cont'd)

- **Borrowing costs**

All borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

- **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 flows 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.

- **Government grants**

Government grants are recognised if it is reasonably certain that the related conditions will be satisfied and the grants will actually be received. Grants for the purchase of non-current assets (asset-related grants) are deducted from the historical cost of the assets in question and reduce future depreciation. Grants in respect of wages obtained under the government wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate.

- **COVID-19 Levy**

The COVID-19 Levy is contingent on the entity earning chargeable income in the current year and is recognised in profit or loss when and if a chargeable income arises. It is calculated as the lower of the government grant received under the wage assistance scheme in 2020 and 2021 and 15% of the chargeable income of the current year, less any amount already refunded to the authorities in 2020.

- **Convertible bonds**

During the financial year ended 30 June 2021, the hotel and resorts segment of the Group contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius, the issue of redeemable convertible bonds. The Group has accounted for the convertible bonds as equity on initial recognition on the following basis:

- The issuer has the unconditional right to avoid paying cash, and if the principal of the bonds is converted to ordinary shares, these will be converted by exchanging a fixed notional for a fixed number of shares, and any potential variability would serve to maintain the relative economic rights of the shareholders and the subscriber, resulting in no violation of the 'fixed for fixed' requirement. Hence, the Group deems that the principal component can be classified under equity.
- The bonds bear a fixed interest rate (the contractual interest and penalty-interest rates are both fixed) and can be considered to be predetermined because it only varies over time. As a result, the Group determines that such an instrument meets the 'fixed for fixed' condition whereby each unit of the convertible bond converts into a fixed number of shares and hence the instrument can be treated as equity.

The bonds are initially measured based on the subscription proceeds received net of transaction costs, without subsequently remeasurement.

- **Cost of sales and operating expenses**

Cost of sales comprises direct material and labour costs but also indirect costs that can be directly attributed to generating revenue. These are included in profit or loss.

Operating expenses relate to indirect costs of operations accounted on the accruals basis.

- **Earnings per share (EPS)**

i) Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Group and Company;
- by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, 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.

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 and non-current assets

Management has assessed the recoverable amounts, as at 30 June 2021 and 2020, of cash generating units (CGUs) to which goodwill has been allocated and CGUs that have indicators for impairment. Note 11 sets out the CGUs to which goodwill has been allocated for impairment testing purposes.

The recoverable amount of CGUs is determined based on their value-in-use or their fair value less cost to disposal, if any. The value-in-use has been determined via future net cash flows based on the budget for the next 12 months as a starting point. Cash flow projections of 3 to 10 years have been considered and discounted at an appropriate discount rate and added to the estimated discounted terminal value. The determination of the cash flow projections, discount rates and terminal values entails significant assumptions made by management of the effects of uncertain future events on those assets at the reporting date. Refer to Note 9 and Note 11 for impairment assessment of PPE and impairment of goodwill respectively.

(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 treasury bills 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. Refer to note 31 for further details.

(iii) Convertible bonds

During the year ended 30 June 2021, two of the Group's subsidiaries obtained funding from the Mauritius Investment Corporation ("MIC"), as per the terms and conditions disclosed in note 27(b) to the financial statements.

Significant accounting judgement has been applied by the Directors in the determination of the appropriate accounting policy, and legal representation has been obtained by the Directors with regards to certain clauses within the contract, which are disclosed in note 27(b).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

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

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

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value is determined based on independent valuation by valuers who make use of valuation methods, depending on the type of asset being revalued. Such methods depend on a variety of assumptions which are further disclosed in notes 9 and 10.

During the financial year ended 30 June 2021, a revaluation gain of MUR 1.2Bn, of which MUR 946M is attributable to the Hotel segment, was recognised. Due to the volatile market conditions arising from Covid-19, it is difficult to estimate inputs to be used to calculate the fair value. The Directors of the Group deemed the depreciated replacement cost approach to be the most suitable valuation technique for the leasehold land improvements, buildings and site improvements of the Hotel segment as compared to other techniques such as the income approach and the market comparable approach. The most significant input into this method of valuation is the replacement cost per square metre.

A revaluation gain of MUR 959M has been recognised on investment properties during the financial year ended 30 June 2021. Most of the revaluation gain, being MUR 942M, has been recognised on the land owned by a subsidiary of the Property segment, Ferney Limited. The land is currently being developed through the Smart City project as described in Note 10. There are no similar projects in the area that would allow the market comparable valuation technique to be used for the fair valuation of the land. Hence, the Directors of the Group deemed the residual method of valuation to be the most suitable valuation technique. The most significant input into this method of valuation is the estimated possible revenue of the developable land and the net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services.

(v) 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 and the Company using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is 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. Refer to notes 12, 13, 14 and 15 for further details.

<u>Determination of fair value</u>

The fair value of publicly traded securities is based on:

- Their market value which is calculated by reference to the Stock Exchange - 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 – Net asset value, price earnings multiple or discounted cash flow and volume weighted average price method
- 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 except if there has been significant change till year end
- 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

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

(vi) 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.

(vii) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the operations; and the costs and business disruption required to replace the leased asset. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects the assessment of reasonable certainty. During the financial years ended 30 June 2021 and 30 June 2020, no option has been exercised and hence, no reassessment has been performed.

(viii) Determining whether forecast sales are highly probable

The Group is exposed to foreign currency risk, most significantly to the Euro, Pound Sterling and US Dollar, as the Group's sales are denominated in these currencies. The Group hedges these exposures by entering into foreign currency loans ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies.

To apply hedge accounting, a condition is that the forecast transaction must be "highly probable". The Group has applied judgement in assessing whether the forecasted foreign currency revenue remain "highly probable", still expected to occur or is no longer expected to occur, particularly in light of the decline in expected bookings patterns resulting from the Covid-19 pandemic and the related suspension of the operations of the Group. In making this assessment, the Group has considered the most recent budgets and plans, including the Covid-19 scenario.

(ix) Recoverability of deferred income tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different.

(x) Measurement of the expected credit loss allowance

The IFRS 9 impairment requirements are based on an expected credit loss model. Madagascar's (Banking Subsidiary of CIEL Finance Limited referred to as 'The Bank') accounting policy for impairment of financial assets is listed below.

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

(i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

(ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

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

(x) Measurement of the expected credit loss allowance (Cont'd)

(iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since the initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Bank uses its internal credit risk grading system, external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. IFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. In the case of debt instruments measured at FVOCI, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Bank recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the statement of financial position. Further details have been disclosed in note 45.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.3 Application of new and revised International Financial Reporting Standards

New standards and interpretations adopted by the group

Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all the following conditions are met:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the amendment to IFRS 16 (as issued by the International Accounting Standards Board (IASB) in May 2020).

During the year ended 30 June 2021, the hotels and resorts segment has received a waiver from the government for lease rentals due on state owned land for the period from 01 July 2020 to 30 June 2021. This waiver has been accounted in line with the amendment to IFRS 16 and the impact of MUR 99M has been credited to profit or loss.

In addition, the Group has also adopted the following standards which have been assessed as having no financial impact or disclosure as at 30 June 2021:

Amendments to IFRS 3 Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output and clarifies that a business can exist without including all the inputs and processes needed to create outputs. Furthermore, it introduces an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

These amendments had no material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.3 Application of new and revised International Financial Reporting Standards (Cont'd)

Amendments to IAS 1 and IAS 8 Definition of Material

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework. The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

These amendments had no material impact on the financial statements of the Group.

Amendments to References to the Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence, and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in the IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

These amendments had no material impact on the financial statements of the Group.

New and revised standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt these new and amended standards and interpretations when they become mandatorily effective.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.3 Application of new and revised International Financial Reporting Standards (Cont'd)

Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions extension of the practical expedient (effective for periods beginning on or after 1 April 2021)

On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient under IFRS 16 in relation to COVID-19 related rent concessions from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The Group will adopt this amendment as from 01 July 2021. This is not expected to have a material impact on the Financial Statements of the Group.

Interest Rate Benchmark Reform – Phase 2 (effective for periods beginning on or after 1 January 2021)

Benchmark interest rates such as the London Inter-bank Offered Rates (LIBOR) and other inter- bank offered rates have been prioritised for reform and replacement with Risk Free Rates (RFR) by global regulators. Reform of LIBOR rates is expected to be largely completed by the end of 2021.

The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the inter-bank offered rate (IBOR) reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendments are effective for annual reporting periods beginning on or after 1 January 2021. The directors are yet to assess the future impact of this reform on the financial statements, given that the banking sector of Mauritius is still in the early implementation phase of the IBOR reform, and it is not yet possible for management to put a plan in place as of date.

The table below provides a summary of the expected exposure of Group to the IBOR reform as at 30 June 2021:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

2. BASIS OF ACCOUNTING (Cont'd)

2.3 Application of new and revised International Financial Reporting Standards (Cont'd)

Interest Rate Benchmark Reform – Phase 2 (effective for periods beginning on or after 1 January 2021) (Cont'd)

Non-derivative assets and liabilities exposed to LIBOR:

	THE GROUP
	MUR'000
Financial assets - Amortised cost	
- Cash and short-term deposits – USD LIBOR	121,883
Financial liabilities - Amortised cost	
Borrowings	
- Euro LIBOR	(3,169,983)
- GBP LIBOR	(343,471)
- USD LIBOR	(2,542,107)
Total assets and liabilities exposed to LIBOR	(5,933,728)

Property, plant, and equipment – proceeds before intended use (amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not expected to have a material impact on the Group's financial statements.

3. SEGMENT INFORMATION

The reportable segments are strategic business units that offer different products and services. They are managed separately because each business unit requires different strategies. During the financial year ended 30 June 2021, the subsidiary of Agro and Property Segment has received a letter of intent from the Economic Development Board for the development of a Smart City. This has led to a restructuring whereby the Directors of the Group determined that it would be more suitable to have a separate reportable segment for the purpose of the project. The Agro and Property segment was thus divided into two separate distinct reportable segment; Agro segment and Property segment. The Group has six reportable segments:

- Textile derives income mainly from the sale of knitwear, woven and fine knits products.
- Agro earns income mainly from sugar production.
- Property derives income mainly 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

3. SEGMENT INFORMATION (Cont'd)

THE GROUP	Textile	Property	Agro	Hotels & Resorts	Financial Services	Healthcare	CIEL And others	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2021									
Total revenue	10,444,465	103,069	6,000	527,901	3,782,304	2,994,560	564,503	(554,175)	17,868,627
Earnings before interest, tax, depreciation, amortisation, impairments, reorganisation costs and fair value gain on investment properties	1,320,993	1,825	2,164	(553,771)	1,348,725	583,813	331,927	(338,236)	2,697,440
Depreciation and amortisation	(303,193)	(12,149)	-	(560,809)	(246,397)	(174,486)	(4,806)	1,005	(1,300,835)
Earnings before interest, tax, impairments, reorganisation costs and fair value gain on investment properties	1,017,800	(10,324)	2,164	(1,114,580)	1,102,328	409,327	327,121	(337,231)	1,396,605
Impairment of non-financial assets and reorganisation costs	(135,683)	-	-	(40,277)	-	(27,257)	-	-	(203,217)
Impairment of financial assets	-	(4,183)	-	(18,237)	(316,760)	(30,682)	(2,767)	-	(372,629)
Fair value gain on investment properties	-	942,110	-	-	17,528	-	-	-	959,638
Finance cost	(139,410)	(10,948)		(883,548)	(34,061)	(94,761)	(138,853)	-	(1,301,581)
Finance income	13,985	42	-	8,062	810	3,787	-	-	26,686
Share of result of associates and joint ventures	-	(157)	241,895	(75,953)	25,988	17,653	16,843	41,035	267,304
Profit before income tax	756,692	916,540	244,059	(2,124,533)	795,833	278,067	202,344	(296,196)	772,806
Income tax	(103,203)	(3,631)	-	224,637	(187,560)	(6,545)	(3,246)	-	(79,548)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

3 SEGMENT INFORMATION (Cont'd)

THE GROUP (Cont'd)	Textile	Property	Agro	Hotels & Resorts	Financial Services	Healthcare	CIEL And others	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2021									
Profit from continuing operations	653,489	912,909	244,059	(1,899,896)	608,273	271,522	199,098	(296,196)	693,258
Loss from discontinued operations	(26,930)	-	-	(244,927)	-	24,476	-	-	(247,381)
Profit for the year	626,559	912,909	244,059	(2,144,823)	608,273	295,998	199,098	(296,196)	445,877
Assets excluding associates & joint ventures	9,214,135	2,826,152	36,051	15,592,812	38,351,350	3,395,359	16,202,177	(7,455,470)	78,162,566
Joint ventures	-	-	188	49,277	1,935,237	-	1,445,643	(1,451,066)	1,979,279
Associates	-	-	1,371,537	392,645	23,329	-	1,965,477	231,339	3,984,327
Segment assets	9,214,135	2,826,152	1,407,776	16,034,734	40,309,916	3,395,359	19,613,297	(8,675,197)	84,126,172
Segment liabilities	7,777,498	366,084	29,575	13,089,313	35,359,372	2,502,422	3,741,713	(924,941)	61,941,036

*CIEL and Others consist of CIEL Limited, CIEL Corporate Services, Azur Financial Services, EM Insurance Brokers Limited and Rockwood Textile.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

3 SEGMENT INFORMATION (Cont'd)

THE GROUP	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	CIEL And others*	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2020 (as restated)								
Total revenue	10,389,990	112,591	4,634,869	3,462,327	2,376,807	514,145	(535,109)	20,955,620
Earnings before interest, tax, depreciation, amortisation, impairments, reorganisation costs and fair value gain on investment property	548,037	29,594	922,887	1,288,617	338,110	293,856	(368,407)	3,052,694
Depreciation and amortisation	(309,860)	(15,309)	(629,337)	(203,498)	(156,835)	(4,440)	(21,954)	(1,341,233)
Earnings before interest, tax, depreciation, impairments and reorganisation costs	238,177	14,285	293,550	1,085,119	181,275	289,416	(390,361)	1,711,461
Impairment of financial, non-financial assets and reorganisation costs	(360,201)	-	(150,199)	-	(128,058)	-	-	(638,458)
Impairment of financial assets	(266,587)	-	(76,147)	(311,011)	(75,852)	-	(10,340)	(739,937)
Fair value gain on Investment Property	-	154,236	-	6,061	-	-	-	160,297
Finance cost	(189,946)	(10,609)	(993,875)	(30,972)	(122,986)	(138,313)	-	(1,486,701)
Finance income	17,153	829	21,250	855	5,719	1,649	-	47,455
Share of result of associates and joint ventures net of tax	-	(24,308)	(275)	(63,915)	27,602	17,282	(7,920)	(51,534)
Impairment of associates	-	(1,700)	(107,044)	-	-	-	-	(108,744)
Profit before income tax	(561,404)	132,733	(1,012,740)	686,137	(112,300)	170,034	(408,621)	(1,106,161)
Income tax	5,056	(1,605)	(27,511)	(185,246)	21,170	(937)	-	(189,073)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

3 SEGMENT INFORMATION (Cont'd)

THE GROUP (Con'td)	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	CIEL and others*	Eliminations/ Unallocated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2020 (as restated)								
Loss for the year - Continuing operations	(556,348)	131,128	(1,040,251)	500,891	(91,130)	169,097	(408,621)	(1,295,234)
Loss for the year - Discontinued operations	(99,604)	-	(778,061)	-	(5,245)	-	-	(882,910)
	(655,952)	131,128	(1,818,312)	500,891	(96,375)	169,097	(408,621)	(2,178,144)
Assets excluding associates & joint ventures	10,971,455	3,337,794	20,656,382	32,602,096	3,689,834	11,225,005	(11,497,731)	70,984,835
Joint ventures	-	345	51,103	1,912,766	-	1,436,487	(1,427,547)	1,973,154
Associates	-	1,114,725	495,991	91,986	173,572	1,134,252	977,215	3,987,741
Segment assets	10,971,455	4,452,864	21,203,476	34,606,848	3,863,406	13,795,744	(11,948,063)	76,945,730
Segment liabilities	7,303,520	386,787	15,096,278	30,775,912	2,517,477	3,791,764	(1,539,766)	58,331,972

THE GROUP	Revenues from External Customers		Non-current Assets	
		Restated		Restated
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Geographical information				
Mauritius	11,212,753	14,729,591	32,530,885	31,959,516
Madagascar	3,525,985	3,215,794	12,727,230	10,084,420
Asia	2,065,208	2,166,946	1,289,224	1,480,146
Maldives	-	-	340,975	2,334,116
South Africa	589,100	124,718	248,377	235,306
Others	475,581	718,571	560,051	524,119
	17,868,627	20,955,620	47,696,742	46,617,623

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

4. REVENUE

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.

Sales of goods comprise the sale of knits, knitwear and woven textile garments.

Sale of services

Services provided by the group comprise operation, management and rental of properties, tourism, hospitality and leisure activities, medical services, and banking and financial 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 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. 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 and 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, through 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.
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 determined 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.
Rental Income	Rental income from investment properties is recognised in profit or loss on an accrual basis in accordance with the substance of the relevant agreement. Revenue from service charge is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

4 REVENUE (Cont'd)

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 is established.

	THE GROUP		THE COMPANY	
		Restated		
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Revenue				
- Banking				
- Interest Income	2,204,788	2,005,627	-	-
Revenue from contracts with customers:				
- Textile	10,444,465	10,389,990	-	-
- Hotel	527,901	4,634,869	-	-
- Banking			-	-
- Fees and commission income	724,308	672,560	-	-
- Profit arising on dealings	578,833	529,317	-	-
- Other income	5,508	5,226	-	-
- Healthcare	2,986,161	2,361,161	-	-
- Agro & Property	21,493	29,138	-	-
Dividend income				
- Listed on SEM	-	1	-	1
- Listed on DEM	-	1	53,792	1
- Unquoted	2,593	1,577	312,124	380,142
Others:				
Management and service fees	301,352	258,639	-	-
Rental income	36,841	36,045	-	-
Other income	34,384	31,469	1,592	900
	15,663,839	18,949,993	367,508	381,044
Total revenue	17,868,627	20,955,620	367,508	381,044
Timing of revenue recognition				
Goods transferred at a point in time	14,768,763	11,783,639	367,508	381,044
Services transferred over time	895,076	7,166,354	-	-
	15,663,839	18,949,993	367,508	381,044

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

5. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, IMPAIRMENTS, REORGANISATION COSTS AND FAIR VALUE GAIN ON INVESTMENT PROPERTY

(a)	THE GROUP		THE COMPANY	
		Restated		
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Revenue	17,868,627	20,955,620	367,508	381,044
Profit on disposal of property, plant and equipment	8,994	3,280	-	-
Profit on disposal of held for sale assets	31,812	-	-	-
Profit on disposal of associated companies (Note 14(f))	26,678	-		-
Other operating income	231,163	-	-	-
Government wage assistance scheme	618,725	231,196	-	-
Insurance claim receipts	-	236,410	-	-
Net foreign exchange differences	130,813	(21,019)	319	1,346
Cost of goods sold (i)	(7,214,615)	(6,659,940)	-	-
Interest expense – Banking segment	(1,103,490)	(889,260)	-	-
Employee benefit expenses (Note 7(a))	(5,146,336)	(6,911,654)	-	-
Management fees and services	(27,493)	(66,138)	(59,153)	(39,862)
Professional, legal and consultancy fees	(121,677)	(65,174)	(13,448)	(9,168)
Rental and leases	(76,821)	(230,190)	-	-
Leasehold rights written off	-	(45,529)	-	
Logistics and utilities	(1,137,677)	(1,286,712)	-	-
Office expenses	(244,666)	(284,030)	(9,882)	(9,407)
Transport expenses	(80,500)	(132,729)	-	-
Marketing, communication and publication expenses	(209,469)	(536,861)	(6,878)	(11,818)
Repairs and maintenance	(267,944)	(368,143)	-	-
Social and events	(39,791)	(33,341)	-	-
Loss allowance on receivables and other financial assets	-	(98,973)	-	-
Share based compensation expense	-	798	-	798
Fair value adjustment on investment property	(20,106)	20,106	-	-
Other expenses (ii)	(528,787)	(765,023)	(8,798)	(7,179)
	2,697,440	3,052,694	269,668	305,754

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

5. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, IMPAIRMENTS, REORGANISATION COSTS AND FAIR VALUE GAIN ON INVESTMENT PROPERTY (Cont'd)

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
(i) Cost of goods sold		
Raw materials and consumables	6,167,170	5,204,181
Direct cost, Utilities and Others	1,047,445	1,455,759
	7,214,615	6,659,940
(ii) Other expenses		
Information and telecommunication expenses	(51,555)	(80,183)
Insurance	(45,555)	(67,475)
General and miscellaneous costs	(22,083)	(184,082)
Professional fees and other services	(127,217)	(119,353)
Fees and commission	(36,368)	(38,109)
Other cost	(246,009)	(275,821)
	(528,787)	(765,023)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

6. FINANCE COSTS AND FINANCE INCOME

	THE GROUP		THE COMPANY	
	Restated			
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Interest expense on:				
Bank overdrafts	(44,745)	(60,800)	(3,952)	(1,523)
Loans repayable by instalments	(231,933)	(201,553)	-	-
Bills discounted	(9,275)	(15,896)	-	-
Debentures	(243,994)	(311,571)	-	-
B shares dividend	(4,000)	(6,617)	-	-
Loans at call	(176,646)	(87,621)	(2,231)	(1,912)
Lease liabilities (Note 9(b))	(220,249)	(283,275)	-	-
Fixed rate secured notes	(134,245)	(150,439)	(133,951)	(140,356)
Ineffective portion of cash flow hedge	(229,879)	(368,929)	-	-
Finance costs	(1,294,966)	(1,486,701)	(140,134)	(143,791)
Interest income on:				
Bank balances	20,071	47,455	-	11
Others	-	-	576	3,818
Finance income	20,071	47,455	576	3,829
Net finance costs	(1,274,895)	(1,439,246)	(139,558)	(139,962)

7. (a) EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Wages and salaries	4,396,291	5,930,465
Social security costs	370,167	355,096
Pension costs - defined contribution plans (Note 31(b))	65,766	80,896
Pension costs - defined benefit plans (Note 31(a))	74,609	68,187
Severance	825	33,161
Other post-retirement benefits	14,318	19,381
Others	224,360	424,468
Employee benefit expenses (Note 5(a))	5,146,336	6,911,654
Reorganisation costs (Note 7(b))	154,455	107,951
Total	5,300,791	7,019,605

(*) Reorganisation costs comprise termination benefits on voluntary early retirement of employees.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

7. (b)(i) IMPAIRMENT OF NON-FINANCIAL ASSETS AND REORGANISATION COSTS

		THE GROUP	
		2021	2020
		MUR'000	MUR'000
			Restated
Goodwill	11	-	128,058
Non-financial assets	18, 9(a), 21	48,762	402,449
		48,762	530,507
Reorganisation costs (*)		154,455	107,951
		203,217	638,458

7. (b)(ii) IMPAIRMENT OF FINANCIAL ASSETS

	THE GROUP			
	2021	2021	2020	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Bad debts written off on trade and other receivables	-	86,484	-	238,700
IFRS 9 Provisions:				
Investment in securities (Note 24)	1,413	-	288	-
Loans to banks (Note 23)	(7)	-	(47)	-
- Loans and advances to customers (Note 22)	220,535	-	303,827	-
- Trade other receivables (Note 19(f))	65,313	-	217,583	-
- Others	(1,109)	286,145	(20,414)	501,237
Total		372,629		739,937

7. (c) DEPRECIATION AND AMORTISATION

		THE GROUP	
		2021	2020
	Note	MUR'000	MUR'000
Depreciation of property plant and equipment on continuing operations	1	1,031,656	1,028,584
Depreciation of right of use assets	9(b)	176,813	179,748
Amortisation of intangible assets	11	92,366	96,495
Amortisation of leasehold rights	16	-	36,406
		1,300,835	1,341,233
Note 1: Depreciation property plant and equipment analysed as follows:			
Continuing operations	7(c)	1,031,656	1,028,584
Discontinued operations	47(d)	98,526	170,283
	9(a)	1,130,182	1,198,867

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

7. (d) SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

		THE GROUP			
		2021	2020	2021	2020
		MUR'000	MUR'000	MUR'000	MUR'000
		Share of profit		Other Comprehensive income	
Joint ventures	13	(9,588)	(67,047)	(34,287)	21,354
Associates	14	276,892	15,513	72,845	17,771
		267,304	(51,534)	38,558	39,125

8. EARNINGS AND NET ASSET VALUE PER SHARE

		THE GROUP		THE COMPANY	
			Restated		
		2021	2020	2021	2020
Basic and diluted earnings per share					
Profit attributable to owners	MUR'000	617,391	(1,679,713)	129,703	165,186
Weighted average number of ordinary shares		1,686,967	1,682,664	1,686,967	1,682,664
Earnings/(loss) per share	MUR'000	0.37	(1.00)	0.08	0.10
Profit attributable to owners from continuing operations	MUR'000	755,335	(1,187,794)	129,703	165,186
Weighted average number of ordinary shares		1,686,967	1,682,664	1,686,967	1,682,664
Basic and diluted earnings per share from continuing operations	MUR'000	0.45	(0.70)	0.08	0.10
Net asset value per share					
Owners' Interest	MUR'000	14,931,409	11,282,955	15,664,671	10,120,412
Number of shares in issue		1,687,445	1,686,751	1,687,445	1,686,751
Net asset value per share	MUR'000	8.85	6.69	9.28	6.00

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Property, plant and equipment, except for freehold land and buildings and site improvements are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Freehold land is stated at revalued amounts and buildings are stated at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at each financial year end. It is the Group's policy to revalue its freehold land and buildings at least once every three years. The basis used is market value derived using the Sales Comparison Approach and the Depreciated Replacement Cost Approach and independent valuers are used for such exercises. Any revaluation surplus is credited to other comprehensive income, except to the extent that it reverses a revaluation deficit for the same asset previously recognised in profit or loss, in which case the surplus is credited to profit or loss to the extent of the deficit previously charged. A decrease in an asset's carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to the retained earnings.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land and capital work in progress are not depreciated.

It is the Group's policy to maintain its buildings in a continued state of sound repair, such that their value is not significantly diminished by the passage of time or usage. Accordingly, in estimating the residual values, the Group has assessed the value of the building at the end of their useful life based on today's rate and this exercise is done by an independent qualified valuer. Therefore, buildings are depreciated on a straight-line basis to their estimated residual values over their estimated useful lives.

Leasehold land improvements are depreciated over the shorter of their useful life and the lease period. On other property, plant and equipment, depreciation is calculated on a straight-line basis to write off their depreciable amounts (cost less residual value) over their estimated useful lives.

The annual rates are as follows:

	Rate per annum
Buildings	2% to 10%
Buildings on leasehold land	2% to 12.5%
Plant, equipment and machinery	4% to 20%
Motor vehicles and boats	10% to 35%
Furniture, fittings and equipment	5% to 50%
Farming buildings and equipment	2.5% to 10%
Office, computer and other equipment	10% to 33%

The gain or loss arising on the disposal or retirement of an item (or part of an item) of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the item (or part of the item, as applicable) and is recognised in profit or loss.

Work in progress is valued at the cost of the project. Costs include an appropriate portion of fixed and variable overhead expenses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) The Group	Land and building	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 01 July 2020 - Restated	23,433,345	229,081	6,399,570	394,292	4,102,075	752,366	58,948	35,369,677
Revaluation surplus	1,114,447	-	-	-	-	-	-	1,114,447
Additions	210,935	125,401	81,324	26,029	283,564	50,909	10,584	788,746
Transfer to intangible assets (Note 11)	-	(1,647)	-	-	-	-	-	(1,647)
Transfer to held for sale (Note 21)	(448,687)	-	(1,097,267)	(8,329)	(11,314)	(18,210)	-	(1,583,807)
Other transfers	13,044	(54,695)	30,541	2,975	8,110	25	-	-
Reclassification	55,978	(60,866)	1,690	(3,391)	6,554	35	-	-
Write offs	(6,647)	(33,191)	(25,391)	(182)	(30,649)	(14,690)	-	(110,750)
Translation adjustment	228,077	6,863	98,662	9,616	44,893	27,201	-	415,312
Disposals	(2,771,641)	(484)	(361,310)	(61,533)	(291,296)	(24,119)	-	(3,510,383)
At 30 June 2021	21,828,851	210,462	5,127,819	359,477	4,111,937	773,517	69,532	32,481,595
DEPRECIATION								
At 01 July 2020 - Restated	2,333,160	4,803	4,219,025	263,916	2,941,079	567,241	27,266	10,356,490
Revaluation surplus	(61,354)	-	-	-	-	-	-	(61,354)
Charge for the year	429,124	-	307,450	47,715	253,138	89,034	3,721	1,130,182
Transfers to held for sale (Note 21)	(8,021)	-	(785,176)	(7,878)	(8,501)	(13,469)	-	(823,045)
Impairment charges through P&L (Note 47)	392,049	-	-	-	-	-	-	392,049
Write offs (*)	(1,647)	-	(25,391)	(182)	(30,485)	(14,502)	-	(72,207)
Translation adjustment	61,203	-	51,470	7,365	31,135	20,614	-	171,787
Disposal adjustment	(1,326,537)	-	(253,724)	(47,244)	(181,325)	(23,087)	-	(1,831,917)
At 30 June 2021	1,817,977	4,803	3,513,654	263,692	3,005,041	625,831	30,987	9,261,985
NET BOOK VALUES								
At 30 June 2021	20,010,874	205,659	1,614,165	95,785	1,106,896	147,686	38,545	23,219,610

- The amounts written off relate principally to fully depreciated assets which are not in use anymore. The write off of the asset under construction relates to the write off of costs incurred on a factory in India, for which construction will not continue.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(b) 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 2019 as previously stated	22,369,095	338,479	6,106,113	376,612	3,726,748	662,889	53,446	33,633,382
Effect of prior year adjustments (Note 46)	(228,647)	-	-	-	-	-	-	(228,647)
As restated	22,140,448	338,479	6,106,113	376,612	3,726,748	662,889	53,446	33,404,735
Revaluation surplus	567,600	-	-	-	-	-	-	567,600
Additions	308,538	136,981	140,367	37,096	260,606	76,394	5,502	965,484
Transfer to intangible assets (Note 11)	-	(2,024)	-	-	(356)	-	-	(2,380)
Transfer to right-of-use assets (Note 9(b))	(176,967)	-	-	(13,834)	-	-	-	(190,801)
Transfer from leasehold rights and prepayments (Note 17)	42,004	-	-	-	-	-	-	42,004
Transfers	100,317	(252,698)	119,782	3,301	61,832	726	-	33,260
Write offs	(1,162)	-	(22,136)	(2,781)	(8,521)	(12,299)	-	(46,899)
Translation adjustment	452,567	8,343	92,981	12,215	62,974	25,451	-	654,531
Disposals	-	-	(37,537)	(18,317)	(1,208)	(795)	-	(57,857)
At 30 June 2020	23,433,345	229,081	6,399,570	394,292	4,102,075	752,366	58,948	35,369,677
DEPRECIATION								
At 1 July 2019 as previously stated	1,791,992	4,803	3,864,177	224,470	2,567,648	471,201	30,253	8,954,544
Effect of prior year adjustments (Note 46)	(140,909)	-	-	(3,851)	-	-	(5,791)	(150,551)
As restated	1,651,083	4,803	3,864,177	220,619	2,567,648	471,201	24,462	8,803,993
Revaluation surplus	(508,047)	-	-	-	-	-	-	(508,047)
Charge for the year	447,518	-	320,601	56,266	280,594	91,084	2,804	1,198,867
Transfers	-	-	-	-	864	366	-	1,230
Transfer to right-of-use assets (Note 9(b))	(2,496)	-	-	(2,190)	-	-	-	(4,686)
Impairment charges through P&L (Note 7(c), 47)	632,917	-	45,788	-	56,674	-	-	735,379
Acquisition through business combination	-	-	-	-	36	(86)	-	(50)
Write offs	(1,162)	-	(22,136)	(2,781)	(8,521)	(12,299)	-	(46,899)
Translation adjustment	113,347	-	44,890	7,976	31,299	17,544	-	215,056
Disposal adjustment	-	-	(34,295)	(15,974)	12,485	(569)	-	(38,353)
At 30 June 2020 - Restated	2,333,160	4,803	4,219,025	263,916	2,941,079	567,241	27,266	10,356,490
NET BOOK VALUES								
At 30 June 2020 - Restated	21,100,185	224,278	2,180,545	130,376	1,160,996	185,125	31,682	25,013,187

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) 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 the statement 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 2021 are as follows:

	THE GROUP			
	Level 2		Level 3	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Land and Building	3,403,100	3,078,720	16,940,967	17,938,145
Balance as at 30 June	3,403,100	3,078,720	16,940,967	17,938,145

The Group's main land and buildings were last revalued on 30 June 2021.

Hotels and resorts segment

(a) The hotels and resorts segment's policy is to revalue its freehold land and buildings at least every three years and the preceding revaluation was conducted on 30 June 2020. However, following the unprecedented impact of COVID-19 on the economy with significant volatile changes being observed in the fair values of certain items of property, plant and equipment, a revaluation exercise was again carried out during this financial year 30 June 2021. The Chartered Valuers, Elevante Property Services Ltd revalued the freehold land and buildings and a revaluation adjustment was accounted for those properties where there is no indication of impairment of the cash generating units.

Freehold land was valued taking into consideration comparable sales evidence. Sales prices of comparable land in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square metre. 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 Financial Reporting Standards (IFRSs) 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. This method of valuation is based on the theory of substitution and is used in situations where it is difficult to estimate inputs to be used to calculate value due to volatile market factors. The most significant input into this method of valuation is the replacement cost per square metre. A revaluation exercise based on income capitalisation approach was also performed in order to benchmark against the depreciation replacement cost approach.

(b) Management assessed the recoverable amount of assets for which indicators of impairment exists as at 30 June 2021 and details of assessment have been disclosed.

(c) **Hierarchy level**

Details of the Group's freehold land and building and information about the fair value hierarchy are as follows:

	Level 2	Level 3
	MUR'000	MUR'000
Land and Building	3,293,300	-
Leasehold land improvement and buildings	-	10,534,179
Site Improvements	-	591,231
Balance as at 30 June 2021	3,293,300	11,125,410

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) Fair value of land and buildings (Cont'd)

Hotel segment (Cont'd)

(d) Bank borrowings are secured on fixed and floating charges on property, plant and equipment of the Group and the Company.

(e) 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 2021	2020
			MUR'000	MUR'000
Leasehold land improvement & buildings	Depreciated replacement cost approach	1% increase in cost of replacing property	105,342	118,886
		1% decrease in cost of replacing property	(105,342)	(118,886)
Site improvements	Depreciated replacement cost approach	1% increase in cost of replacing property	5,91	6,271
		1% decrease in cost of replacing property	(5,912)	(6,271)

Property Segment

(a) The freehold land of Ferney Limited ("FL") relates to hunting ground, sugar cane fields, land surrounding the factory and fallow land as well as land earmarked for the Ferney Integrated Development Project under a Smart City Scheme developed through Ferney Development Company Limited ("FDL"). These lands were valued by CDDS Land Surveyors and Property Valuer, an independent and professionally qualified valuer, in 2021. The valuation of land was derived using the sales comparison approach by reference to land transactions in the vicinity.

(b) Ferney Integrated Development Project: On 17 November 2020, the Economic Development Board issued a letter of intent to FDL pursuant to Regulation 9(3) of the SCS Regulations. The letter of intent is issued on the basis that FDL will develop a Smart City Project based on five pillars - Sustainability, Agri-Hub, Nature and Science Economy, Eco-Tourism, of an extent of 500 Hectares under the Smart City Scheme (the "Scheme").

(c) The land (the "earmarked land") that has been earmarked for the purposes of carrying out the smart city development is currently owned by FL: the extent of the earmarked land is 500 Hectares so that a change in the ownership of the earmarked land from FL to FDL is required to enable FDL to develop the earmarked land in accordance with the Investment Promotion (Smart City Scheme) Regulations 2015. The earmarked land was previously valued at MUR0.6M per acre and the objective is to revalue the land based on the Smart City project.

(d) Basis of valuation of the earmarked land: The residual method of valuation is to estimate the possible revenue of the developable land and assuming all Smart City permits are granted, net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services, to end up with a value of bare developable land.

(e) The earmarked land has been valued at MUR195M giving rise to a fair value increase of MUR115M which is credited to revaluation reserves in shareholders' equity. This represents an average estimated price per acre is MUR1.5M.

(f) The land is classified as level 3 on the fair value hierarchy.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) Fair value of land and buildings (Cont'd)

Property Segment (Cont'd)

Description	Fair value at 2021	Fair value at 2020	Range of price per hectare 2021	2020	Range of unobservable inputs	2021	2020	Sensitivity
	MUR'000	MUR'000	MUR'000	MUR'000		%	%	
-Earmarked land	194,780	-	8,292 – 2,200,000	-	**Capitalisation rate**	1% - 9%	N/A	The higher the capitalisation rate and
					Expected vacancy rate	0% - 7.5%	N/A	expected vacancy rate, the lower the fair value
- Other land	1,027,350	1,106,800	474-14,215	533-14,215	**Years purchase**	3% - 5%	3% - 5%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
					Expected vacancy rate	5%	5%	
					Discount rate	5%	5%	The higher the discount rate and terminal yield, the lower the fair value
					Terminal yield	3% - 5%	3% - 5%	
					Rental growth rate	6.70%	6.70%	The higher the rental growth rate and terminal yield, the higher the fair value

As part of the valuation methodology, all costs and possible sale realisation have been assumed as at 30 June 2021.

Financial services segment

At 30 June 2021, an independent valuation was performed by an independent qualified valuer Cabinet Razafindratandra of the land and buildings located at the headquarters in Madagascar. The properties were valued at **MUR 854M** (2020: MUR 771M). The external valuations have been performed using the sales comparison approach and depreciated replacement cost basis.

Valuation inputs and relationships to fair value

Valuation model	Replacement Cost
Unobservable inputs	Obsolescence Rate/ Unobservable sale price per square meter
Range of inputs	6.02% to 53.22% (2020: 15.27% - 76.89%)

Sensitivity analysis

A 5% increase or decrease in the obsolescence rate would lead to a decrease/increase of **MUR 27.1M** (2020: MUR 26.2M) in the fair value of land and building.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (a) PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(c) Fair value of land and buildings (Cont'd)

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 performed a valuation of land and building in June 2021. This was carried out 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.

The land is classified as level 2 and buildings are classified as level 3 on the fair value hierarchy. The main inputs used in the valuation approach ranged as follows:

Description	Fair value at June 30,		Valuation technique	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
	2021	2020				
	MUR'000	MUR'000				
Land	178,170	178,170	On Market Comparable	Price per square metre	MUR 4,250 – MUR 5,000 per square metre	The higher the price per square metre, the higher the fair value
	654,809	558,435	Replacement cost less depreciation approach	Cost per square metre	MUR 3,000 – MUR 28,500 per square metre	The higher the cost per square metre, the higher the fair value
Building						
	832,979	736,605				

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 2021 and 2020 are shown below:

	Valuation technique(s) and key inputs	Sensitivity used	Effects on fair value	
			2021	2020
			MUR'000	MUR'000
Land	On-market comparable	1% increase in price	1,782	1,782
		1% decrease in price	(1,782)	(1,782)
Building	Replacement cost less depreciation approach	1% increase in price	6,548	5,553
		1% decrease in price	(6,548)	(5,553)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (b) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policies

Initial Recognition

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (b) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

Accounting policies (Cont'd)

Initial Recognition (Cont'd)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received and makes adjustments specific to the lease, e.g. term, country, currency and security. The incremental borrowing rates range from 5% to 17.24%.

Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Lease term

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 the non-lease component, the Group will account for them as a single lease component. In determining the lease term, management considers all the facts and circumstances that can create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods with termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or terminated).

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options across the segment are only included in the lease term if the lease is reasonably certain to be extended. These are used to maximise operational flexibility in terms of managing the assets used in the segment's operations. The factors influencing the decision to exercise these options include the location of the assets, some being on prime locations along the coast of the island, and the costs that would be incurred to set up a whole new building to operate in the event of termination.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (b) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

Lease and non-lease component

Contracts may contain both lease and non-lease components. The segment allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the segment is a lessee, it has elected not to separate lease and non-lease components and instead account for these as a single lease component.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Textile

The textile segment leases various offices, warehouses and factories. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options. The facts and circumstances would include whether renewing the lease of the asset would have commercial value: how the asset could be used by the entity for its operations and to generate income.

The weighted average incremental borrowing rate stands at **7.35%** (2020: 7.35%).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The short term leases for which the lease rentals have been recognised in profit or loss on a straight-line basis comprises mainly the lease of dormitories that house the expatriate workers.

Healthcare

The Healthcare Segment leases various buildings and motor vehicles. The contract duration ranges from 6 months to 50 years. The incremental borrowing rate used is **5.352%** (2020 :7.631%) for C-Care for the main lease, being the land and building at Wellkin, and between **6% - 17.24%** (2020: 6% - 17.22%) for IMG Group.

In October 2020, further to an amendment in the Finance Act, Healthcare services have been reclassified from exempt to zero-rated for VAT purposes. Consequently, Healthcare service providers are now eligible to claim input VAT on purchase of goods and services which was not previously the case. As a result, the VAT element on the monthly rental for the hospital building can now be claimed from the Mauritius Revenue Authority. The monthly cost to C-Care has decreased from MUR 5M to MUR 4.3M. This change triggered a lease modification and hence a reassessment of the discount rate. At the end of the reporting period, all leases were recognised as right of use except the short term leases of operating equipment.

Hotels and Resorts

Lease liabilities relate to:

- The right-of-use of property, plant and equipment with an average duration varying between 4 and 5 years and for which the Group has the option to purchase the asset for a nominal amount at the expiry of the lease arrangements; and
- Leases of rooms under the Invest Hotel Scheme which run for a period between 52 and 59 years.

The segment's leases are secured by the lessors' title to the leased assets.

The incremental borrowing rate on lease liabilities ranged from **5% to 7.05%** (2020: 5% to 7.05%).

The short term leases under this segment comprises the lease of motor vehicles.

Financial Services

The segment has leases for buildings and motor vehicles. Leases have remaining lease terms between 1 and 7 years, some of which may include options to extend the leases for up to 3 years, and some of which may include options to terminate the leases within 1 year.

The incremental borrowing rate on lease liabilities ranged from **6.25% to 8.5 %** (2020: 6.25% to 8.5%) for the segment.

The short term leases relate to the lease of certain bank branches across Madagascar.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (b) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

THE GROUP

Right-of-use assets

	Land and Buildings	Motor Vehicles	Others	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Restated balance as at 1 July 2020	2,992,960	28,950	16,185	3,038,095
Additions	258,856	19,403	3,412	281,671
Amortisation	(158,980)	(13,240)	(4,593)	(176,813)
Disposals	(359,060)	(1,665)	-	(360,725)
Translation adjustments	29,013	-	-	29,013
Right-of-use assets, 30 June 2021	**2,762,789**	**33,448**	**15,004**	**2,811,241**
Right-of-use assets, 1 July 2019	-	-	-	-
Impact of IFRS 16	2,694,237	23,559	20,479	2,738,274
Restated balance as at 1 July 2019	2,694,237	23,559	20,479	2,738,274
Additions	2,497	5,592	-	8,089
Transfer from leasehold rights and land prepayments (Note 16)	235,331	-	-	235,331
Transfer from property, plant and equipment (Note 9(a)) - Restated	174,471	11,644	-	186,115
Transfer from property, plant and equipment (Note 9(a)) as previously stated	384,833	11,644	-	396,477
Effect of prior year adjustment (Note 46)	(210,362)	-	-	(210,362)
Amortisation	(163,609)	(11,845)	(4,294)	(179,748)
Translation adjustments	50,032	-	-	50,032
Right-of-use assets, 30 June 2020, as restated	2,992,959	28,950	16,185	3,038,095

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

9. (b) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

	2021	2020
	MUR'000	MUR'000
		Restated
Lease liabilities:		
Current	250,659	232,277
Non-current	3,014,504	3,327,056
	3,265,163	3,559,333

Lease liabilities have been restated, refer to Note 46.

	2021	2020
	MUR'000	MUR'000
		Restated
The statement of profit or loss shows the following amounts relating to leases:		
Amortisation of right-of-use assets	176,813	179,748
Interest on lease liabilities	220,249	283,275
Expenses relating to leases of low-value assets and short-term leases	76,821	230,190
Lease concessions	(99,053)	-
Total lease cost	374,830	693,213
The total cash outflow for leases was as follows:		
Repayment of principal element of leases	204,389	290,048
Other information:		
Weighted Average Remaining Lease Term	4.58	4.56

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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	
	2021	2020
	MUR'000	MUR'000
Fair value model		
At 1 July	1,780,315	1,611,573
Additions	-	1,670
Disposals	(6,341)	(3,620)
Increase in fair value	959,638	160,297
Exchange differences	7,980	10,395
At 30 June	2,741,592	1,780,315
The investment properties relate mainly to those of BNI Madagascar and Ferney Limited.		
BNI Madagascar	2,529,026	1,593,256
Ferney Limited	212,566	187,059
	2,741,592	1,780,315

BNI Madagascar

The investment properties were fair valued by Cabinet Razafindratandra, an independent professionally qualified valuer. The fair value of **MUR 213M** (2020: MUR 187M) 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.

(a) Valuation inputs and relationships to fair value

Valuation model	Replacement Cost
Unobservable inputs	Obsolescence Rate/ Unobservable cost per square meter
Range of inputs	**6.02% to 53.22%** (2020: 15.27% - 76.89%)

(b) Sensitivity analysis

A 5% increase or decrease in the obsolescence rate would lead to a decrease/increase of **MUR 10.6M** (2020: MUR 9.3M) in the fair value of investment properties.

Ferney Limited

(a) The investment properties of Ferney Limited ("FL") comprise sugarcane land and agricultural land held for rental purposes as well as land earmarked for the Ferney Technopole Smart City Project under Ferney Development Company Limited ("FDL"). These lands were valued by CDDS Land Surveyors and Property Valuer, an independent and professionally qualified valuer, in 2021.

(b) Ferney Technopole Smart City Project: On 17 November 2020, the Economic Development Board issued a letter of intent to FDL pursuant to Regulation 9(3) of the SCS Regulations. The letter of intent is issued on the basis that FDL will develop a technopole project comprising an agro processing unit, business centre, light industrial/ storage facilities, science park, R&D centre, data centre, retirement village, luxury housing, affordable housing, healthcare/wellness centre, Eco-resort and Wildlife Centre and Dutch landing museum over freehold land of an extent of 500HA under the Smart City Scheme (the "Scheme").

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

10. INVESTMENT PROPERTIES (Cont'd)

Ferney Limited (Cont'd)

(a) The land (the "earmarked land") that has been earmarked for the purposes of carrying out the smart city development is currently owned by FL: the extent of the earmarked land is 500HA so that a change in the ownership of the earmarked land from FL to FDL is required to enable FDL to develop the earmarked land in accordance with the Investment Promotion (Smart City Scheme) Regulations 2015. The earmarked land is currently valued at MUR 0.6M per acre and the objective is to revalue the land base on the Smart City project.

(b) Basis of valuation of the earmarked land: The residual method of valuation is to estimate the possible revenue of the developable land and assuming all Smart City permits are granted net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services, to end up with a value of bare developable land.

(c) The earmarked land has been valued at MUR 1,576M giving rise to a fair value increase of MUR942M. The average estimated price per acre is MUR 1.5M.

The investment properties are classified as level 3 on the fair value hierarchy. Sensitivity analysis is disclosed in Note 9.(a).

2021

Significant valuation input:	Fair value	Range
	MUR'000	MUR'000
Price per hectare - earmarked land	1,576,610	8,292 - 2,200,000
Price per hectare - other land	817,320	533 - 17,769

2020

Significant valuation input:	Fair value	Range
	MUR'000	MUR'000
Price per hectare - land	1,451,820	533 - 17,769

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 with an indefinite life is not subject to amortisation and is tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. 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. Any impairment is presented separately on the face of the statement of profit or loss and other comprehensive income.

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 (1 - 8 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

11 INTANGIBLE ASSETS (Cont'd)

Accounting policies (Cont'd)

Computer software (Cont'd)

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

(a) The Group	Computer Software	Development Cost	Goodwill	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Year ended 30 June 2021				
COST				
At 1 July 2020	742,264	8,552	1,308,484	2,059,300
Additions	32,652	-	-	32,652
Transfer from plant & equipment (Note 9(a))	1,647	-	-	1,647
Translation adjustment	23,211	(1,279)	-	21,932
Transfer to non-current assets held for sale (Note 21)	(16,033)	-	-	(16,033)
Write offs	(14,291)	(38)	-	(14,329)
At 30 June 2021	769,450	7,235	1,308,484	2,085,169
AMORTISATION				
At 1 July 2020	497,213	5,125	32,357	534,695
Charge for the year	92,334	32	-	92,366
Translation adjustment	5,414	241	-	5,655
Write offs	(2,909)	-	-	(2,909)
Transfer to non-current assets held for sale (Note 21)	(13,416)	-	-	(13,416)
At 30 June 2021	578,636	5,398	32,357	616,391
NET BOOK VALUES				
At 30 June 2021	190,814	1,837	1,276,127	1,468,778
Year ended 30 June 2020				
COST				
At 1 July 2019	694,180	6,190	1,436,542	2,136,912
Additions	35,164	509	-	35,673
Transfer from plant & equipment (Note 9(a))	942	1,438	-	2,380
Translation adjustment	23,421	415	-	23,836
Impairment charge for the year	-	-	(128,058)	(128,058)
Write offs	(11,443)	-	-	(11,443)
At 30 June 2020	742,264	8,552	1,308,484	2,059,300
AMORTISATION				
At 1 July 2019	396,854	4,754	33,032	434,640
Charge for the year	96,465	30	-	96,495
Translation adjustment	15,337	341	(675)	15,003
Write offs	(11,443)	-	-	(11,443)
At 30 June 2020	497,213	5,125	32,357	534,695
NET BOOK VALUES				
At 30 June 2020	245,051	3,427	1,276,127	1,524,605

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

11. INTANGIBLE ASSETS (Cont'd)

The breakdown of the goodwill is:

	2021	2020
	MUR'000	MUR'000
Healthcare Segment	798,148	798,148
Hotel Segment	225,024	225,024
Finance Segment	252,955	252,955
	1,276,127	1,276,127
The breakdown of the impairment charge accounted for in 2021 is as follows:		
Healthcare segment – IMG Group	-	128,058

Impairment testing of goodwill

Healthcare Segment

The key assumptions used for the impairment calculation are:

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.

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

		2021	2020
		MUR'000	MUR'000
IMG Group	(i)	207,203	207,203
C-Care Group:			
Ex-Medical and Surgical Company Ltd	(ii)	240,378	240,378
Wellkin Hospital	(iii)	343,059	343,059
Department of Cardiac Sciences and Critical Care	(iv)	7,508	7,508
		798,148	798,148

(i) IMG Group

The recoverable amount of this cash-generating unit is **MUR 511M** determined based on the fair value less costs to sell calculations. These calculations use cash flow projections based on financial budgets and forecasts approved by management. Fair value was determined by using an appropriate discount rate to discount future cash flows generated from IMG Group. The discount rate calculation is based on specific circumstances of the cash generating units and a rate of 20.69% (2020:15.7%) 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 6% (2020: 4.7%) and discounted as appropriate.

	2021	2020
	MUR'000	MUR'000
Sensitivity to changes in assumptions – IMG Group		
Discount factor +0.5% point	(27,000)	(26,000)
Discount factor -0.5% point	30,000	29,000
Terminal growth rate +0.5% point	10,400	4,300
Terminal growth rate -0.5% point	(9,700)	(3,900)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

11. INTANGIBLE ASSETS (Cont'd)

Impairment testing of goodwill (Cont'd)

Healthcare Segment (Cont'd)

(ii) C-Care (Mauritius) Limited (Ex-Medical and Surgical Company Ltd)

C-Care is listed on the stock exchange of Mauritius (DEM). The share price of C-Care increased significantly over the financial year ended 30 June 2021, however, with low trading volumes. The investment in C-Care has been valued using the Volume Weighted Average Price ("VWAP") for the financial year ended 30 June 2021 as management considers it is a more appropriate valuation of the Company. The share price as at 30 June 2021 was MUR 19.70 and the VWAP used for valuing the investment was MUR 10.35. The recoverable amount of this cash generating unit is **MUR 911M**. The fair value as at 30 June 2020 was obtained by using a share price of MUR 4.34.

(iii) Wellkin Hospital

The recoverable amount of the cash-generating units for the balance of MUR 343M 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 9.25% (2020: 8.86%) and the growth rate is 3% (2020: 2.4%).

	2021	2020
	MUR'000	MUR'000
Sensitivity to changes in assumptions – Wellkin Hospital		
Discount factor +0.5% point	(227,000)	(156,000)
Discount factor -0.5% point	266,000	183,000
Terminal growth rate +0.5% point	221,000	143,000
Terminal growth rate -0.5% point	(180,000)	(123,000)

(iv) Department of Cardiac Sciences and Critical Care

The recoverable amount of Department of Cardiac Sciences and Critical Care Cash Generating Unit of MUR 7.5M 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 **9.25%** (2020: 8.86%) and growth rate is **3%** (2020: 2.4%). 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.

	2021	2020
	MUR'000	MUR'000
Sensitivity to changes in assumptions – Department of Cardiac Sciences		
Discount factor +0.5% point	(6,000)	(6,000)
Discount factor -0.5% point	24,000	24,000
Terminal growth rate +0.5% point	7,000	7,000
Terminal growth rate -0.5% point	(7,000)	(7,000)

Financial services segment

Goodwill has been allocated for impairment testing purposes to the following cash generating units.

	2021	2020
	MUR'000	MUR'000
Indian Ocean Financial Holdings Limited (Group)	163,378	163,378
Investment Professionals Ltd	19,062	19,062
Mitco Group Limited	70,515	70,515
	252,955	252,955

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

11. INTANGIBLE ASSETS (Cont'd)

Impairment testing of goodwill (Cont'd)

Financial services segment (Cont'd)

The key assumptions used for the impairment calculation are:

	BNI Madagascar SA	Investment Professionals Limited	MITCO Group Limited
2021			
Risk-free rate (%)	9.50%	4.31%	4.31%
Equity beta	0.74	0.7	0.7
Specific risk premium (%)	4.00%	3.00%	3.00%
Equity market risk premium (%)	9.84%	5.98%	5.98%
Weighted Average Cost of Capital (%)	19.67%	10.60%	10.60%
Growth (%)	3.00%	3.00%	3.00%
Model	Dividend Discount Model	Dividend Discount Model	Dividend Discount Model
Number of years	4	3	3
2020			
Risk-free rate (%)	11.00%	3.79%	3.79%
Equity beta	1	0.76	0.76
Specific risk premium (%)	4.00%	1.00%	1.00%
Equity market risk premium (%)	7.30%	7.58%	7.58%
Weighted Average Cost of Capital (%)	22.30%	10.31%	10.31%
Growth (%)	3.00%	3.00%	3.00%
Model	Dividend Discount Model	Dividend Discount Model	Dividend Discount Model
Number of years	4	3	3

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

11. INTANGIBLE ASSETS (Cont'd)

Impairment testing of goodwill (Cont'd)

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 10-year (2019: 15-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

(c) Significant estimate: Impact of possible changes in key assumptions

2021	BNI Madagascar SA	Investment Professionals Ltd	Mitco Group Limited
Weighted Average Cost of Capital (%)	+5%	+5%	+5%
Impact on Goodwill	Nil	(MUR 5M)	Nil
2020			
Weighted Average Cost of Capital (%)	+5%	+5%	+5%
Impact on Goodwill	Nil	Nil	(MUR 85M)

Hotels and resorts segment

Goodwill has been allocated for impairment testing purposes to the following CGUs:

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Hotel property CGU - Anahita Hotel Limited	223,689	223,689
Tour operator CGU	1,335	1,335
	225,024	225,024

The directors have concluded that the above goodwill was not impaired as at 30 June 2021.

The recoverable amount of this cash-generating unit is **MUR 5,469M** determined based on the fair value less costs to sell calculations. These calculations use cash flow projections based on financial budgets and forecasts approved by management. Fair value was determined by using an appropriate discount rate to discount future cash flows generated from Anahita Hotel Limited and the tour operator. The discount rate calculation is based on specific circumstances of the cash generating units and a rate of 9.50% 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 3% and discounted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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. On adoption of IFRS 9, the Group made an irrevocable election at the time of initial recognition to account for equity investments at fair value through OCI ('FVOCI'). There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of these investments. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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 are 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 retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

Accounting policies (Cont'd)

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.

(a) The Company

	MUR'000	MUR'000	MUR'000	MUR'000
	Level 1	Level 2	Level 3	Total
VALUATION				
At 1 July 2020	496,764	1,422,671	11,009,482	12,928,917
Additions	-	-	54,018	54,018
Fair value adjustment	687,914	355,668	4,217,117	5,260,699
Transfers	(1,184,678)	1,184,678	-	-
At 30 June 2021	-	2,963,017	15,280,617	18,243,634

	MUR'000	MUR'000	MUR'000	MUR'000
	Level 1	Level 2	Level 3	Total
VALUATION				
At 1 July 2019	-	7,461,244	6,544,053	14,005,297
Additions	278,013	-	392,451	670,464
Fair value adjustment	218,751	(1,876,214)	(89,381)	(1,746,844)
Transfers	-	(4,162,359)	4,162,359	-
At 30 June 2020	496,764	1,422,671	11,009,482	12,928,917

Additions

(i) During the year, the Company injected a further MUR 54M in CIEL Healthcare Ltd, with no change in shareholding.

(ii) On 21 May 2020, the Group acquired an additional 50 percent interest in Laguna Clothing LLP for MUR 256.7M in cash, increasing its ownership from 50% to 100%. The carrying amount of Laguna Clothing LLP's net assets in the consolidated financial statements on the acquisition was MUR 282.4M. The Group recognised a decrease in non-controlling interests of MUR 282.7M and an increase in retained earnings of MUR 25.8M.

(iii) On 01 January 2020, the Group acquired an additional interest of 2.07% in Mitco Group Ltd for MUR 46.86M in cash, increasing its ownership from 61.21% to 63.28%. The carrying amount of Mitco Group Ltd net assets in the consolidated financial statements on the acquisition was MUR 71.1M. The Group recognised a decrease in non-controlling interest of MUR 1.11M and a decrease in retained earnings of MUR 0.64M.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

Additions (Cont'd)

(iv) On 8 July 2019, CIEL Limited has acquired 114,461,596 shares in C-Care (Mauritius) Ltd at MUR 2.39 per share, for a total consideration of MUR 273.6 M, net of transaction costs of MUR 2M, payable in cash. CIEL's shareholding in C-Care (Mauritius) Ltd amounts to 20.08%. CIEL Healthcare Limited, CIEL Limited's subsidiary, has acquired 50,209,205 no par value ordinary shares of C-Care (Mauritius) Ltd. and CIEL Healthcare Limited's shareholding has increased from 58.60% to 67.41%. CIEL Limited has injected MUR 64.0M to maintain its shareholding of 53.03% in CIEL Healthcare Limited. The implication on the consolidated statement of change in equity was to reduce the non-controlling interest by MUR 200.9M and the retained earnings by MUR 141M.

(v) On 4 July 2019, CIEL Limited has acquired an additional 5,973,635 shares in CIEL Textile Limited ("CTL") at MUR 44 per share, for a total consideration of MUR 262.8M, net of transaction costs of MUR 3.5M, payable 50% in cash and 50% in shares of CIEL Limited, the latter being equivalent to 19,911,846 new ordinary shares. On 6 August 2020 CIEL Limited has acquired 1,234,880 share in CIEL Textile Limited at MUR 44 per share, for a total consideration of MUR 54.3M, payable 50% in cash and 50% in shares. This increased CIEL Limited's shareholding in CIEL Textile Limited from 92.92% to 100%. The implication on the consolidated statement of change in equity was to reduce the non-controlling interest by MUR 309.3M and the retained earnings by MUR 13M. The admission of CIEL Textile Limited was subsequently cancelled from the Development & Enterprise Mauritius ('DEM').

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, the ratio of the cumulative share price to the cumulative volume traded over a given time period has been used to fair value the investment.

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 2020 and 30 June 2021. 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 2021

C-Care is listed on the Stock Exchange of Mauritius (DEM). The investment was fair valued using a share price of MUR 4.34 at 30 June 2020. The quoted share price of C-Care increased from MUR 4.34 to MUR 19.70 over a period of 12 months up to 30 June 2021, however, with relatively low trading frequency and volumes on the market, not sufficient to provide appropriate pricing information on an ongoing basis.

Management has considered various valuation methodologies to determine an appropriate fair value of C-Care and the share price has been determined as MUR 10.35 using the Volume Weighted Average Price ("VWAP") method. VWAP is a measurement that shows the average price of a listed share, adjusted for the volume traded over a specific period.

As a result of the quoted share price being adjusted based on VWAP, the investment in C-Care has been transferred from Level 1 to Level 2 in the fair value hierarchy.

Transfers between levels 2 and 3 during 2020

In 2020, the Company transferred an investment from level 2 to level 3. In 2019, the investment was valued at its latest transaction price of MUR 44 which was published on the entity's website and was thus observable to the public. However, in 2020, the directors deemed that the Discounted Cash Flow model would be most representative of the fair value of the investment as at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

Valuation inputs and relationships to fair value

CIEL Finance Limited

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value MUR'000	Valuation technique	Unobservable inputs	Range of inputs	
30 June 2021					
CIEL Finance Limited	**2,623,716**	Price-earnings ratio	Price-earnings ratio	**10**	(i)
		Dividend discount model	Weighted-average cost of capital	**19.70%**	(ii)
30 June 2020					
CIEL Finance Limited	2,649,271	Price-earnings ratio	Price-earnings ratio	11.26	(i)
		Dividend discount model	Weighted-average cost of capital	22.30%	(ii)

Relationship of unobservable inputs to fair value

(i) Increase in PE ratio by **2.5%** (2020 - 2.5%) would increase fair value by **MUR 111M** (2020 - MUR 88M).

(ii) Increase in the WACC by **5%** (2020 - 5%) would decrease fair value by **MUR 284 M** (2020 - MUR 217M).

CIEL Textile Limited

	Fair value MUR'000	Valuation technique	Unobservable inputs	Range of inputs
30 June 2021				
CIEL Textile Limited	**5,446,700**	Discounted Cash Flow	Weighted-average cost of capital	**10.6%-11.4%**
			Terminal Growth Rate	**2%-3.5%**

	2021 MUR'000
Sensitivity to changes in assumptions	
Terminal +0.5% point	**75,000**
Terminal -0.5% point	**(71,000)**
Weighted-average cost of capital +0.5% point	**(567,000)**
Weighted-average cost of capital -0.5% point	**651,000**

	Fair value MUR'000	Valuation technique	Unobservable inputs	Range of inputs
30 June 2020				
	4,264,715	Discounted Cash Flow	Weighted-average cost of capital	10.5%-11.1%
CIEL Textile Limited			Terminal Growth Rate	2%-3.5%

	2020 MUR'000
Sensitivity to changes in assumptions	
Terminal +0.5% point	497,000
Terminal -0.5% point	(434,000)
Weighted-average cost of capital +0.5% point	(563,000)
Weighted-average cost of capital -0.5% point	646,000

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 and adjusted quoted price where appropriate

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

Valuation inputs and relationships to fair value (Cont'd)

C-Care (Mauritius) Ltd

Given the quoted share price of C-CARE has increased from MUR 4.34 to MUR 19.70, management has deemed the Volume Weighted Average Price (V-WAP) of 12 months to be a better proxy for fair value. The rationale for the valuation method has been detailed and transferred between Level 1 and Level 2 in 2021.

Valuation process

Management has a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values.

The team reports to the CFO and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by VALUE IFRS Plc's internal credit risk management group.
- Earnings growth factors for unlisted equity securities are estimated based on market information for similar types of companies.
- Contingent consideration – expected cash inflows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

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, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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 2021	Stated capital 2020	Percentage holding 2021 Direct	Percentage holding 2020 Direct	Proportion of ownership interests held by non-controlling interests 2021	Proportion of ownership interests held by non-controlling interests 2020	Country of Incorporation/ Principle place of business	Main business
				000's	000's	%	%	%	%		
CIEL Agro & Property Limited**	Ordinary	30 June	MUR	1,413,865	2,930,318	100.00	100.00	-	-	Mauritius	Investment
CIEL Properties Limited**	Ordinary	30 June	MUR	2,177,701	-	100.00	100.00	-	-	Mauritius	Investment
CIEL Corporate Services Ltd	Ordinary	30 June	MUR	25	25	100.00	100.00	-	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June	MUR	1,933,231	1,933,231	75.10	75.10	24.90	24.90	Mauritius	Investment
CIEL Healthcare Limited	Ordinary	30 June	MUR	1,637,895	1,517,235	53.03	53.03	46.97	46.97	Mauritius	Investment
CIEL Textile Limited	Ordinary	30 June	MUR	685,865	685,865	100.00	100.00	-	-	Mauritius	Investment
Rockwood Textiles Ltd	Ordinary	30 June	MUR	1	1	100.00	100.00	-	-	Mauritius	Property
Sun Limited	Ordinary	30 June	MUR	1,945,451	1,945,451	50.10	50.10	49.90	49.90	Mauritius	Investment
C-Care (Mauritius) Ltd*	Ordinary	30 June	MUR	289,801	289,801	20.08	20.08	44.18	44.18	Mauritius	Healthcare Services

* CIEL Limited indirectly holds 35.74% of C-Care (Mauritius) Ltd through CIEL Healthcare Limited and the effective shareholding is 55.82%.

Restructuring

** During the year ended 30 June 2021, there was a restructuring within the group where shares held by CIEL Limited in CIEL Agro & Property Limited have been transferred to CIEL Properties Limited.

The restructuring was made through the following process:

- A capital reduction in CIEL Agro & Property Limited equal to the cost of some entities held by the latter (Ebène Skies Ltd, Rivière Champagne Ltd, Ferney Ltd , Bois des Amourettes Ltd).
- Purchase of shares in CIEL Properties Limited for a consideration equal to the fair value at the date of the transfer of entities currently held by the latter (Ebène Skies Ltd, Rivière Champagne Ltd, Ferney Ltd, Bois des Amourettes Ltd).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

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

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) for the year	Comprehensive income	Non-controlling interests
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021								
CIEL Textile Limited – Group	6,633,085	4,295,882	6,740,482	1,037,016	10,444,465	626,559	167,428	(733)
Sun Limited – Group	2,088,235	17,920,117	3,440,385	9,648,928	527,901	(2,076,714)	638,596	(88,550)
CIEL Finance Limited – Group	25,569,766	14,748,078	34,534,354	832,945	3,782,304	608,273	776,267	537,890
CIEL Healthcare Limited – Group*	830,279	3,074,851	961,558	1,540,863	2,994,560	296,001	40,844	99,878

Non-controlling interests in CIEL Healthcare Ltd includes of 20.08% of C-Care (Mauritius) Ltd share

	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
2021				
CIEL Textile Limited – Group	988,904	(197,620)	(312,341)	478,943
Sun Limited – Group	(764,809)	1,380,177	305,487	920,855
CIEL Finance Limited – Group	752,974	(118,310)	(152,691)	481,973
CIEL Healthcare Limited – Group	520,072	(201,901)	(100,925)	217,246

	Dividend paid to non-controlling interests	Profit allocated to non-controlling interests during the year	Accumulated non-controlling Interests at 30-Jun-21
	MUR'000	MUR'000	MUR'000
CIEL Textile Limited - Group	-	(733)	61,339
Sun Limited - Group	-	(88,550)	677,011
CIEL Finance Limited - Group	(413,377)	537,890	1,877,453
CIEL Healthcare Limited - Group	(33,511)	99,878	291,145

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (Cont'd)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) for the year	Comprehensive income	Non-controlling interests
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2020 - Restated								
CIEL Textile Limited – Group	5,905,550	5,065,905	6,156,752	1,146,768	10,389,991	(655,952)	276,145	(1,095)
Sun Limited – Group - restated	1,489,195	19,714,281	5,046,703	10,049,575	4,634,869	(1,818,311)	(1,612,320)	(39,135)
CIEL Finance Limited - Group	22,129,238	12,477,610	28,908,609	1,051,056	3,462,326	500,890	927,198	714,193
CIEL Healthcare Limited - Group	711,664	3,052,606	955,949	1,561,530	2,376,807	(96,375)	24,470	11,295

	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
2020 - Restated				
CIEL Textile Limited – Group	1,120,368	(537,810)	89,672	672,230
Sun Limited – Group - restated	810,882	(420,003)	(369,544)	21,335
CIEL Finance Limited – Group	1,771,580	(130,110)	1,858,191	3,499,661
CIEL Healthcare Limited - Group	169,929	(242,225)	42,405	(29,891)

	Dividend paid to non-controlling interests	Profit allocated to non-controlling interests during the year	Accumulated non-controlling Interests at 30-Jun-20
	MUR'000	MUR'000	MUR'000
CIEL Textile Limited – Group	(71,760)	(1,095)	62,072
Sun Limited – Group - restated	-	(39,137)	765,561
CIEL Finance Limited - Group	(381,525)	714,193	1,733,203
CIEL Healthcare Limited - Group	-	11,295	277,847

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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.

		2021	2020
		MUR'000	MUR'000
(a)	The Group		
	At 1 July	1,973,154	1,718,847
	Addition (Note (i))	50,000	300,000
	Share of results	(9,588)	(67,047)
	Share of comprehensive income	(34,287)	21,354
	At 30 June	1,979,279	1,973,154
	Made up as follows:		
	Net assets	1,804,794	1,798,669
	Goodwill	174,485	174,485
		1,979,279	1,973,154

(b)	The Company		
	Unlisted	Level 3	Level 3
	At 1 July	35,371	43,896
	Addition (Note (i))	50,000	-
	Fair value adjustment	4,537	(8,525)
	At 30 June	89,908	35,371

2021 - 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 10.73% 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 16M/MUR 18M**.

2020 - 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 10.99% 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 21M/MUR 24M.

The Directors are of the opinion that there were no indicators of impairment on the investment in joint venture at year end.

(i) Addition

During the year ended 30 June 2021, the group has made additional investment of MUR 50M in Anahita Residence and Villas Ltd; with no changes in shareholding. During the year ended 30 June 2020, the group has made additional investment of MUR 300M in BankOne.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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 of the Group and Company are as follows:

Name of Joint Ventures	Year-end / Reporting date	Effective Percentage holding Direct	Indirect	Principal activity
		%	%	
2021				
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
2020				
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

For the joint ventures having a different reporting date, management accounts have been prepared as at June 30, 2021 and 2020 respectively.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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	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	MUR'000	MUR'000	MUR'000
2021							
Anahita Residence and Villas Ltd	614,406	565,304	33,503	(136,219)	(68,110)	7,494	3,747
Bank One Limited	47,003,702	43,500,614	1,635,715	133,044	66,522	(88,101)	(44,051)
Domaine de l'Etoile Limited	603	6,511	-	(315)	(157)	-	-
Solea Vacances SA	293,416	134,744	106,063	(15,688)	(7,843)	12,032	6,017
					(9,588)	(68,575)	(34,287)
2020							
Anahita Residence and Villas Ltd	594,171	512,102	305,732	(60,339)	(30,170)	(9,364)	(4,682)
Bank One Limited	62,833,055	59,374,910	2,184,246	(73,117)	(36,559)	36,908	18,455
Domaine de l'Etoile Limited	1,897	7,628	15,436	(88)	(44)	-	-
Solea Vacances SA	320,989	258,628	1,102,704	(550)	(274)	15,164	7,581
					(67,047)	42,708	21,354

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

	Current Assets	Non-current Assets	Non-Current Financial Liabilities	Current Financial Liabilities	Depreciation & Amortisation	Interest Income	Interest Expense
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021							
Anahita Residence and Villas Ltd	35,615	578,791	430,771	134,533	(33,360)	-	(62,262)
Bank One Limited	47,003,702	-	-	43,500,614	(75,801)	1,179,738	(392,074)
Domaine de l'Etoile Limited	243	360	-	6,511	(64)	-	(36)
Solea Vacances SA	291,407	2,009	-	134,744	(1,426)	986	-
2020							
Anahita Residence and Villas Ltd	19,471	574,697	348,608	167,737	(2,738)	-	(31,240)
Bank One Limited	62,833,055	-	-	59,374,910	78,974	1,746,740	(645,954)
Domaine de l'Etoile Limited	1,474	424	-	7,628	(64)	-	(40)
Solea Vacances SA	2,351	318,628	-	258,628	(1,951)	-	(142)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

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	Issue of Shares	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
2021								
Anahita Residence and Villas Ltd	42,736	100,000	(136,219)	7,494	14,011	7,005	-	7,005
Bank One Limited	3,458,147	-	133,044	(88,101)	3,503,090	1,751,545	174,485	1,926,030
Domaine de l'Etoile Limited	(5,750)	-	(315)	-	(6,065)	(3,032)	-	(3,032)
Solea Vacances SA	102,210	-	(15,688)	12,032	98,554	49,276	-	49,276
						1,804,794	174,485	1,979,279
2020								
Anahita Residence and Villas Ltd	112,440	-	(60,339)	(9,365)	42,736	21,368	-	21,368
Bank One Limited	2,894,353	600,000	(73,117)	36,911	3,458,147	1,729,074	174,485	1,903,559
Domaine de l'Etoile Limited	(5,663)	-	(87)	-	(5,750)	(2,875)	-	(2,875)
Solea Vacances SA	87,594	-	(550)	15,164	102,208	51,103	-	51,103
						1,798,670	174,485	1,973,154

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

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.

		2021	2020
		MUR'000	MUR'000
(a)	The Group		
	At 1 July	3,987,741	4,297,488
	Additions	-	3,047
	Redemption	(485)	-
	Disposals (Note (f))	(2,015)	-
	Other movements	(3,420)	-
	Share of results	276,892	15,513
	Share of other comprehensive income	72,845	17,771
	Dividends	(156,005)	(138,197)
	Impairment of associates (i)	-	(108,744)
	Transfers to non-current assets held for sale (Note 21)	(191,226)	(99,137)
	At 30 June	3,984,327	3,987,741

(i) Management carried out an impairment assessment at 30 June 2021 based on the present value of future dividend income from its associate. Based on this assessment, no impairment charge has been recognised for the Group (2020: MUR 108.7M).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

14 INVESTMENTS IN ASSOCIATES (Cont'd)

		2021	2020
(a)	The Group (Cont'd)	MUR'000	MUR'000
	Made up as follows:		
	Net assets	3,968,312	3,971,726
	Goodwill	16,015	16,015
		3,984,327	3,987,741
	Group's share of net assets		
	Listed	3,524,750	3,267,937
	Unquoted	443,562	703,789
		3,968,312	3,971,726

		2021	2020
(b)	The Company	Unquoted	Unquoted
		MUR'000	MUR'000
	At 1 July	75,028	48,369
	Fair value adjustment	152,012	26,659
	At 30 June	227,040	75,028

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

14. INVESTMENTS IN ASSOCIATES (Cont'd)

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

Details of the associates are as follows:

Name of associates	Year-end / Reporting date	Effective percentage holding				Principal activity
		Indirect		Direct		
		2021	2020	2021	2020	
		%	%	%	%	
Alteo Limited	June	20.96	20.96	-	-	Agro-Property
Laboratoire Internationale Bio Analyse Ltée	June	35.00	35.00	-	-	Healthcare
Hygeia Nigeria Limited*	December	12.23	12.23	-	-	Healthcare
Jersey Hygeia Investments Limited**	December	12.80	12.80	-	-	Healthcare
Procontact Limited***	June	-	-	47.67	44.43	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 2021 and 2020 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.

* The indirect stake in Hygeia Nigeria Limited is held through Jersey Hygeia Investment Limited.

** During the years ended 30 June 2021 and 2020, the Group entered into binding agreements with interested buyers for the sale of investments in Hygeia Nigeria Limited and Hygeia HMO Limited respectively. As the sale of these investments is deemed highly probable, these have been reclassified to assets held for sale. The indirect stake in Hygeia HMO Limited is held through HNL Investment Limited.

*** 44.43% in Procontact Limited represents the voting rights held by CIEL Limited while the % holding represents 46.67%. During the year, additional shares have been allocated to CIEL Limited with no voting rights.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

14. INVESTMENTS IN ASSOCIATES (Cont'd)

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

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/(loss) for the year attributable to owners	Share of profit/(loss)	Dividends received during the year	Share of other comprehensive income
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021									
Alteo Limited	7,370,547	23,773,543	5,262,897	7,219,732	9,549,122	1,154,074	241,894	48,064	62,985
Laboratoire Internationale Bio Analyse Ltée	-	-	-	-	-	-	-	-	-
Hygeia Nigeria Limited	304,727	732,501	116,647	143,279	638,906	76,486	17,653	-	(645)
Procontact Limited	87,422	15,455	21,400	2,933	188,995	37,910	16,844	4,596	1,899
The Kibo Fund LLC	-	-	-	-	-	-	-	-	8,852
Kibo Capital Partners Ltd	39,263	28,003	11,199	14,555	43,440	1,002	501	-	(246)
EastCoast Hotel Investment Ltd	-	-	-	-	-	(701,306)	-	103,345	-
							276,892	156,005	72,845
2020									
Alteo Limited	6,925,029	23,049,532	5,114,210	7,701,578	8,296,611	(114,367)	(23,971)	36,049	56,239
Laboratoire Internationale Bio Analyse Ltée	3,131	1,393	6,015	-	15,436	(2,039)	(292)	-	-
Hygeia Nigeria Limited	924,123	778,921	650,462	96,939	1,415,729	120,372	27,602	-	(3,884)
Procontact Limited	71,923	12,942	35,111	3,049	125,536	24,291	17,282	2,737	(11,509)
The Kibo Fund LLC	6,359	170,780	-	1,576	403	(11,626)	(4,612)	-	(20,837)
Kibo Capital Partners Ltd	37,700	25,808	8,035	13,358	46,811	(989)	(496)	-	(2,238)
EastCoast Hotel Investment Ltd	240,167	2,392,200	240,167	-	45,883	(772,610)	-	99,411	-
							15,513	138,197	17,771

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

14 INVESTMENTS IN ASSOCIATES (Cont'd)

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

	Opening Net Assets	Redemption/ Disposal/ issue of Shares	Other movement	Result Net of Dividends	Other Comprehensive Income for the Year	Closing Net Assets	Ownership Interest	Goodwill	Transfer to Held For Sale	Impairment of Associate	Interest in Associate
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021											
Alteo Limited	15,784,536	-	46,544	924,756	253,958	17,009,794	3,524,750	-	-	-	3,524,750
Laboratoire Internationale Bio Analyse Ltée	-	-	-	-	-	-	-	-	-	-	-
Hygeia Nigeria Limited	733,999	-	77,420	-	-	811,419	187,062	4,164	(191,226)	-	-
Procontact Limited	46,704	-	-	27,568	4,274	78,546	34,898	11,851	-	-	46,749
The Kibo Fund LLC	(10,541)	10,541	-	-	-	-	-	-	-	-	-
Kibo Capital Partners Ltd	40,340	(485)	-	1,002	(491)	40,366	20,183	-	-	-	20,183
EastCoast Hotel Investment Ltd	2,010,123	-	-	(701,306)	-	1,308,817	392,645	-	-	-	392,645
							4,159,436	16,015	(191,226)	-	3,984,327
2020											
Alteo Limited	15,609,746	-	168,522	(272,555)	278,823	15,784,536	3,267,937	-	-	-	3,267,937
Laboratoire Internationale Bio Analyse Ltée	5,693	-	-	(593)	-	5100	1,700	-	-	(1,700)	-
Hygeia Nigeria Limited *	725,070	-	-	-	8,929	733,999	169,408	4,165	-	-	173,575
Procontact Limited	53,207	-	(30,794)	24,291	-	46,704	20,750	11,851	-	-	32,601
The Kibo Fund LLC	52,344	1,269	-	(11,626)	(52,529)	(10,542)	(3,420)	-	-	-	(3,420)
Kibo Capital Partners Ltd	44,030	1,774	-	(989)	(4,474)	40,341	21,058	-	-	-	21,058
EastCoast Hotel Investment Ltd	2,632,367	-	-	(622,244)	-	2,010,123	603,034	-	-	(107,044)	495,990
							4,132,078	16,015	-	(108,744)	3,987,741

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

14. INVESTMENTS IN ASSOCIATES (Cont'd)

During the year the investment in KIBO Fund LLC was disposed as follows:

(f) Profit on disposal of associate

The Group	2021 MUR'000
Consideration received or receivable:	
Cash	25,101
Amount receivable	5,629
Total disposal consideration	30,730
Carrying amount of net assets sold (Note (a))	3,420
Profit on disposal before reclassification of translation reserve	34,150
Reclassification of translation reserve	(7,472)
Profit on disposal after reclassification of translation reserve (Note 5(a))	26,678

The Group's share of the fair value reserves of KIBO Fund LLC has also been reclassified to retained earnings upon disposal of the investment.

The fair value of the Group's interest in associates which are listed/quoted on the Stock Exchange of Mauritius is as follows as at 30 June 2021 and 2020 respectively:

	2021 MUR'000	2020 MUR'000
Alteo Limited	1,722,288	1,014,681

15. INVESTMENTS IN OTHER FINANCIAL ASSETS

Accounting policies

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.

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

(a) The Group

	Level 1 DEM Quoted MUR'000	Level 3 Unquoted MUR'000	Total MUR'000
2021			
At 1 July	40	372,449	372,489
Addition	-	3,912	3,912
Translation difference	-	2,550	2,550
Disposals	-	(6,292)	(6,292)
Fair value adjustment	-	87,193	87,193
At 30 June	40	459,812	459,852

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

15. INVESTMENTS IN OTHER FINANCIAL ASSETS (Cont'd)

(a) The Group

	Level 1 DEM Quoted MUR'000	Level 3 Unquoted MUR'000	Total MUR'000
2020			
At 1 July	40	356,928	356,968
Additions	-	25,478	25,478
Translation difference	-	885	885
Disposals	-	(17,326)	(17,326)
Fair value adjustment	-	6,484	6,484
At 30 June	40	372,449	372,489

(b) The Company

	Level 3 Unquoted MUR'000	Total MUR'000
2021		
At 1 July	28,928	28,928
Fair value adjustment	(3,917)	(3,917)
At 30 June	25,011	25,011
2020		
At 1 July	43,816	43,816
Disposals	(16,313)	(16,313)
Fair value adjustment	1,425	1,425
At 30 June	28,928	28,928

(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 2021 %	Percentage Holding 2020 %
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 2021 MUR'000	THE GROUP 2020 MUR'000	THE COMPANY 2021 MUR'000	THE COMPANY 2020 MUR'000
Rupee	194,125	198,640	25,011	22,636
US Dollar	-	173,849	-	6,292
Euro	250,515	-	-	-
Ariary	15,212	-	-	-
	459,852	372,489	25,011	28,928

(e) None of the financial assets are impaired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

16. 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	
	2021	2020
	MUR'000	MUR'000
COST		
At 1 July	-	785,726
Impact of IFRS 16	-	(382,080)
Adjusted balance	-	403,646
Addition		-
Write off*	-	(125,863)
Transfer to right-of-use assets (Note 9 (b))	-	(320,399)
Transfer to property, plant and equipment (Note 9(a))	-	(42,004)
Transfer from current assets	-	80,000
Translation difference	-	4,620
	-	-
ACCUMULATED AMORTISATION		
At 1 July	-	251,049
Impact of IFRS 16	-	(120,000)
Adjusted balance	-	131,049
Prepayments release to operating expenses	-	-
Charge for the year	-	36,406
Impairment charge	-	-
Transfer to right-of-use assets (Note 9 (b))	-	(85,068)
Write off*	-	(80,334)
Translation difference	-	(2,053)
NET BOOK VALUE	-	-
At 30 June	-	-

*Management has assessed that an advance payment made to a lessor for the lease of a plot of land is not recoverable anymore, hence the amount was written off during the year ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

17. OTHER RECEIVABLES

Accounting policies

Other 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. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Receivable from sale of land	-	3,500
Long-term deposits	32,338	23,228
Loans under Executive Share Scheme (Note (a))	16,920	16,920
Others	-	2,015
	49,258	45,663
Less: allowance for impairment loss	-	-
	49,258	45,663

(a) Loans under Executive Share Scheme were 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 which does not significantly impact the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

18. INVENTORIES

Accounting policies

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in and first-out 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	
	2021	2020
	MUR'000	MUR'000
Raw materials (fair value less cost to sell)	1,248,386	1,375,669
Work in progress (fair value less cost to sell)	651,087	703,839
Finished goods (fair value less cost to sell)	1,121,157	1,030,735
Other stock (fair value less cost to sell)	31,941	189,986
Food and beverages (fair value less cost to sell)	38,007	59,736
Operating supplies (fair value less cost to sell)	168,381	28,910
Spare parts (cost)	83,457	160,532
Fabric and linen (cost)	15,359	14,374
Goods in transit (cost)	435,840	163,102
Less :		
Provision for impairment of inventories	(30,999)	-
Write offs	(17,763)	(309,652)
	3,744,853	3,417,231

The cost of inventories recognised as an expense is **MUR 6.4Bn** (2020: MUR 7Bn).

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

Impairment of inventories

Impairment on non-financial assets

	Cash generating unit/ Company	Reportable segment	Statements of Profit or loss	
			2021	2020
			MUR'000	MUR'000
Impairment and write offs charged				
- Textile segment: stocks	Textile	Mauritius	16,800	285,400
- Hotel segment: Inventories	Retail operations	Mauritius	4,705	24,252
- Healthcare segment: consumables	Healthcare	Mauritius	27,257	-
			48,762	309,652

* Above impairment charges exclude the income tax impact

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

19. TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are amount due from 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 objective 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 loss allowance is provided in note 45(a).

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		MUR'000	MUR'000	MUR'000	MUR'000
	Trade receivables	2,591,199	2,623,879	-	-
	Less: Loss allowance on receivables (Note 19(f))	(256,316)	(336,809)	-	-
		2,334,883	2,287,070	-	-
	Receivable from subsidiary companies (Note 44)	-	-	316,428	15,302
	Receivable from associated companies (Note 44)	27,961	19,763	-	-
	Receivable from related corporations (Note 44)	87,539	73,893	380	-
	Export documentary remittances	1,632,865	1,628,367	-	-
	Other receivables and prepayments (Note 19(a))	725,907	951,548	1,857	-
	Advance payments	555,788	366,732	-	-
	Prepayments	246,969	152,243	118	-
		5,611,912	5,479,616	318,783	15,302
(a)	Other receivables				
	Other receivables consist of:				
	Taxes and grants	318,875	335,117	-	
	Deposits	16,260	48,083	-	-
	Others	390,772	568,348	1,857	-
		725,907	951,548	-	-

The carrying amounts of trade and other receivables approximate their fair value as they are deemed short-term in their nature and recoverable within 12 months.

The Group does not hold any collateral as security but for the hotels and resorts 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	
	2021	2020
	MUR'000	MUR'000
Within 31 - 60 days	143,271	213,132
Within 61 - 90 days	67,744	79,724
Over 90 days	129,369	455,092
	340,384	747,948

The remaining balance of trade receivables is neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

19. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) The carrying amounts of the Group's trade and other receivables, excluding taxes and grants, advance payments, prepayments and deposits are denominated in the following currencies:

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
MUR	535,397	1,710,084
MGA	1,633,144	147,584
USD	733,232	1,108,341
EUR	350,586	393,338
GBP	132,058	202,234
ZAR	352,114	204,978
INR	581,874	651,999
Others	155,615	158,883
	4,474,020	4,577,441

(d) 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 2020, or 01 July 2021 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, India, Uganda and Madagascar to be the most relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

(e) As of 30 June 2021, trade and other receivables of **MUR 256M** (2020: MUR 337M) 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 2021	Current	Within 31 - 60 days	Within 61 - 90 days	Over 90 days	Total
Expected credit loss rate (%)	0.26%	1.67%	3.90%	59.86%	9.89%
Gross carrying amount (MUR' 000)	1,764,603	273,494	149,811	403,291	2,591,199
Loss allowance (MUR' 000)	4,619	4,555	5,847	241,295	256,316
30 June 2020					
Expected credit loss rate (%)	0.45%	0.54%	12.72%	34.60%	12.84%
Gross carrying amount (MUR' 000)	1,248,076	346,567	122,757	906,479	2,623,879
Loss allowance (MUR' 000)	5,669	1,862	15,617	313,661	336,809

(f) The closing loss allowances for trade and other receivables reconcile to the opening loss allowances as follows:

	2021
	MUR'000
	Total
At 01 July 2019	152,542
Amounts written off	(46,007)
Provision for the year	217,583
Translation reserve	12,691
At 30 June 2020	336,809
Amounts written off	(144,877)
Provision for the year	65,313
Translation reserve	(929)
At 30 June 2021	256,316

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

19. TRADE AND OTHER RECEIVABLES (Cont'd)

(g) In 2021, the impairment of trade receivables was assessed based on the expected credit loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. Taxes and grants, prepayments and advance payments are not financial assets and so are not subject to expected credit loss under IFRS 9. The other receivables comprise mainly overnight borrowings held by the subsidiary bank, which are repaid on the next day, hence no impairment was deemed necessary.

20. CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include highly liquid investments that are convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months maturity from the date of acquisition.

For the purposes of the statement of cash flows, 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	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Cash in hand	1,715,540	1,635,849	-	-
Foreign currency notes and coins	134,792	121,507	-	-
Balances with the Central Bank	3,029,100	2,868,414	-	-
Balances due in clearing	22,899	18,312	-	-
Balances with banks	2,747,510	3,057,186	6,744	13,310
Placements	2,281,334	538,581	53	12,339
	9,931,175	8,239,849	6,797	25,649
Broken down as follows:				
Banking segment	7,376,395	6,823,706	-	-
Non-banking segment	2,554,780	1,416,143	6,797	25,649
	9,931,175	8,239,849	6,797	25,649

The balances with the central bank relate to cash held at Central Bank of Madagascar for BNI Madagascar SA.

21. ASSETS AND LIABILITIES HELD FOR SALE

Accounting policies

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

21. ASSETS AND LIABILITIES HELD FOR SALE (Cont'd)

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
The movement for the year is as follows:		
At 1 July	131,969	12,726
Disposal	(10,117)	-
Transfer from investment in associates (Note 14)	191,226	99,137
Transfer from discontinued operations (Note (b))	1,110,603	-
Fair value adjustments	(20,106)	20,106
Others	(102)	-
As at 30 June	1,403,473	131,969

(a) Assets held-for-sale consist of land, which was earmarked for sale by Ferney Limited in 2020 and sold in 2021.

During the years ended 30 June 2021 and 2020, the Group entered into binding agreements with interested buyers for the sale of investments in Hygeia Nigeria Limited and Hygeia HMO Limited respectively. As the sale of these investments is deemed highly probable, these have been reclassified to assets held for sale. The sale of the investment in Hygeia Nigeria Limited was finalised in August 2021. The sale of Hygeia HMO Limited is currently in the process of finalisation.

(b) The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at June 30, 2021:

	2021
	MUR'000
Assets classified as held for sale	
- Property, plant and equipment (Note 9(a)	760,762
- Intangible assets (Note 11)	2,617
- Deferred income tax assets (Note 30(b))	2,248
- Inventories	270,696
- Trade and other receivables	64,233
- Cash and cash equivalents	10,047
Total assets classified as held for sale	1,110,603

	2021
	MUR'000
Liabilities directly associated with assets classified as held for sale	
- Deferred income tax liabilities (Note 30(b))	26,861
- Retirement benefit obligations (Note 31(b)(i)	22,801
- Trade and other payables	135,040
- Fair value liability on forward contracts	942
- Borrowings	374,952
- Current income tax liabilities	161
Total liabilities associated with assets classified as held for sale	560,757

Details of discontinued operations in relation to the above are in Note 47(b).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

22. LOANS AND ADVANCES TO CUSTOMERS

Accounting policies

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 flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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.

(a)	2021	2020
	MUR'000	MUR'000
Retail	2,666,639	2,843,036
Civil servants	2,033,219	-
Professional – SME	857,089	557,051
Mid-Cap	4,154,335	3,366,538
Institutional	100,169	545,496
Corporate customers	11,454,398	10,421,364
	21,265,849	17,733,485
Less allowances for credit impairment:		
Individual	(372,323)	(305,882)
Civil servants	(30,229)	-
Professional – SME	(259,019)	(254,062)
Mid-Cap	(413,208)	(346,076)
Institutional	(2,936)	(3,341)
Corporate customers	(320,021)	(215,473)
	(1,397,736)	(1,124,834)
	19,868,113	16,608,651
Less: Non-current portion	(6,810,443)	(5,544,688)
Current portion	13,057,670	11,063,963
(b) Remaining terms to maturity		
Within one year	13,057,670	11,063,963
Over 1 year and up to 5 years	6,810,443	4,087,894
Over 5 years	-	1,456,794
	19,868,113	16,608,651
(c) Allowance for credit impairment		
At July 1	1,124,834	774,686
Provision for credit impairment for the year (Note 7(b)(ii)	220,535	303,827
Foreign currency translation adjustment	52,367	46,321
At 30 June	1,397,736	1,124,834

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

23. LOANS TO BANKS

Accounting policies

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 flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(a)	THE GROUP	
	30-Jun 2021	30-Jun 2020
	MUR'000	MUR'000
At 1 July	40,297	413,309
Net movement in loans to banks	(40,304)	(373,059)
Allowance for impairment	7	47
At 30 June	-	40,297
Loans to banks - non-current	-	-
Loans to banks - current	-	40,297
	-	40,297
Remaining terms to maturity		
Within one year	-	40,297
Over 1 year and up to 5 years	-	-
	-	40,297
Allowance for credit impairment		
At July 01	(7)	(54)
Provision for credit impairment (Note 7(b)(ii))	7	47
At June 30	-	(7)

24. INVESTMENTS IN SECURITIES

Accounting policies

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	
	2021	2020
	MUR'000	MUR'000
At 1 July	4,712,534	4,498,836
Additions	2,655,345	163,658
Matured during the year	(1,356,939)	(216,135)
Provision for credit impairment for the year (Note (a))	(1,413)	(288)
Translation adjustment	198,490	266,463
	6,208,017	4,712,534

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

24. INVESTMENTS IN SECURITIES (Cont'd)

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Non-current	3,753,001	2,909,918
Current	2,455,016	1,802,616
Remaining terms to maturity		
Within one year	2,455,016	1,802,616
Over 1 year and up to 5 years	3,753,001	2,909,918
	6,208,017	4,712,534

The investments in securities are denominated in Ariary and Ugandan Shillings

The current securities denominated in Ariary have coupon rates ranging from **7.00% to 13.15% (2020: 9.80% to 13.55%).**

The securities denominated in Ugandan Shillings have coupon rates ranging from **11.5% to 12.2%.**

The non-current securities have coupon rates ranging from **7.90% to 10.30%** (2020: 6.30% to 13.15%). None of the financial assets are either past due or impaired.

(a) Allowance for credit impairment

	2021	2020
	MUR'000	MUR'000
At July 1,	(918)	(584)
Provision for credit impairment for the year (Note 7(b)(ii))	(1,413)	(288)
Foreign currency translation adjustment	(90)	(46)
At June 30,	(2,421)	(918)

25. 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 1 July 2019	5,099,561	(149,347)	4,950,214
Issue of shares (Note 1)	36,855	119,641	156,496
Issue of shares to executives (Note 2)	-	10,221	10,221
Issue of shares on exercise of rights (Note 3)	3,163	1,480	4,643
At 30 June 2020	5,139,579	(18,005)	5,121,574
Issue of shares on exercise of rights (Note 4)	1,415	3,381	4,796
At 30 June 2021	5,140,994	(14,624)	5,126,370

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

25. STATED CAPITAL AND TREASURY SHARES (Cont'd)

	THE GROUP AND THE COMPANY		
	Stated Capital Number of shares	Treasury Shares Number of shares	Total Number of shares
	'000	'000	'000
At 1 July 2019	1,689,901	(29,627)	1,660,274
Issue of shares (Note 1)	-	24,028	24,028
Issue of shares to executives (Note 2)	-	1,128	1,128
Issue of shares on exercise of rights (Note 3)	-	1,322	1,322
At 1 July 2020	1,689,901	(3,149)	1,686,752
Issue of shares on exercise of rights (Note 4)	-	693	693
At 30 June 2021	**1,689,901**	**(2,456)**	**1,687,445**

The shares have no par value. All stated capital is fully paid.

Note 1

On 02 July 2019, CIEL Limited increased its stake in Ciel Textile Ltd from 92.92% to 100% and, thus, 24,027,946 ordinary shares of CIEL Limited were issued.

Note 2

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, 549,417 shares were issued in 2019.

In June 2019, an amount of MUR 3,675K 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 2019 of MUR 7.08, 578,772 shares were issued in 2020.

Note 3

During the year 2020, executives of the Group have exercised their rights to acquire 1,321,553 of CIEL Limited ordinary shares under the Share Appreciation Rights Scheme.

Note 4

During the year 2021, executives of the Group have exercised their rights to acquire 693,434 of CIEL Limited ordinary shares under the Share Appreciation Rights Scheme.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

26. REDEEMABLE RESTRICTED A SHARES

	THE GROUP AND THE COMPANY	
	Redeemable Restricted A Shares	Number of Shares
	MUR'000	000's
At 30 June 2020 and 2021	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.

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 aggregate, hold less than 10% of the issued Ordinary Shares in the capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

27. OTHER COMPREHENSIVE INCOME

(a) Reserves

The Group	Revaluation Surplus	Fair value	Hedging Reserve	Translation of Foreign Operations	Other Reserves	Actuarial Reserves	Share appreciation rights scheme	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2020	3,813,366	53,990	(62,598)	(135,042)	259,348	(391,369)	5,267	3,542,962
Other comprehensive income for the year	560,645	67,792	(200,662)	201,987	-	67,225	-	696,987
Issue of shares	-	-	-	-	-	-	(4,796)	(4,796)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	65,978	-	-	-	-	-	-	65,978
Other movements	40,160	-	-	-	-	-	-	40,160
Balance at 30 June 2021	4,480,149	121,782	(263,260)	66,945	259,348	(324,144)	471	4,341,291
Balance at 1 July 2019	3,137,630	42,558	(16,835)	(304,987)	218,714	(266,234)	19,450	2,830,296
Other comprehensive income for the year	675,736	11,432	(45,763)	169,945	-	(125,135)	-	686,215
Issue of shares	-	-	-	-	-	-	(14,183)	(14,183)
Other movements	-	-	-	-	40,634	-	-	40,634
Balance at 30 June 2020	3,813,366	53,990	(62,598)	(135,042)	259,348	(391,369)	5,267	3,542,962

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.

(iii) Movement of MUR 65M relates to transfer of revaluation losses from revaluation reserve to retained earnings on disposal of an associate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

27. OTHER COMPREHENSIVE INCOME (Cont'd)

The Group

(i) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

(ii) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

(iii) 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.

(iv) Translation of foreign operations

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

(v) Other reserves

Other reserves comprise of the banking reserve which comprise provisions in line with the Bank of Mauritius macroprudential guidelines.

(vi) Actuarial gains/(losses)

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

The Company	Fair Value Reserve	Fair Value Reserve
	2021	2020
	MUR'000	MUR'000
Fair value adjustment	5,419,624	(1,727,285)

(i) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

(b) Convertible bonds

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	-	-	-	-
Additions	2,275,000	-	-	-
Front-end fee paid	(12,300)	-	-	-
Front-end fee transferred to prepayment	3,600	-	-	-
Legal fees	(1,508)	-	-	-
At 30 June	2,264,792	-	-	-

During the financial year ended 30 June 2021, the SUN Group within the hotels and resorts segment, through two of its subsidiaries namely Long Beach Resort Ltd and Anahita Hotel Limited, contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius for the issue redeemable convertible bonds for a total amount of MUR 3.1 billion comprising of 310 bonds of MUR 10 million each.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

27. OTHER COMPREHENSIVE INCOME (Cont'd)

(b) Convertible bonds (Cont'd)

One of the main objectives of the MIC is to provide financial support to companies impacted by the Covid-19 pandemic and in particular to the tourism sector which has been impacted the most due to the full border closure. The MIC support is in the form of redeemable convertible bonds to companies which require urgent working capital to sustain their viability.

Key terms and conditions of the funding arrangements are as follows:

- The bonds shall be issued in four equal tranches.
- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds, that is, on 14 December 2029.
- The conversion rate has been pre-determined prior to the subscription.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed rate and price on maturity date.
- The interest rates range between 3.00% to 3.25% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- The conversion price is subject to certain adjustments such as capitalisation of profit or reserves, capital distribution, rights issues, share split, amongst others.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date. The option price shall be determined as follows:
  - if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount,
  - if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

28. 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. The last SARS were exercised last year and no SARS were left as at 30 June 2020.

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
		32,488,526

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

28. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (Cont'd)

(a) Share Appreciation Rights Scheme (Cont'd)

	Number of rights	Number of rights
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		
- 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)
Rights exercised during 2018		
in respect of financial year March 2011	(3,092,611)	-
in respect of financial year March 2012	(354,662)	-
		(3,447,273)
Rights exercised during 2019		
- in respect of financial year March 2012	(3,871,884)	
- in respect of financial year March 2013	(200,000)	
		(4,071,884)
Rights exercised during 2020		
- in respect of financial year 2013		(5,848,089)
		-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

28. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (Cont'd)

(a) Share Appreciation Rights Scheme (Cont'd)

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

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

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

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

(b) Share Based Scheme - equity settled

In July 2014, an incentive scheme was set up in order to remunerate some key executives of the Group. The annual entitlement is payable 50% in cash and 50% in terms of shares in CIEL Limited. Upon award, the shares are vested immediately but are issued over a period of two years.

The entitlement for the years ended 30 June 2021 and 2020 is as follows:

	2021 MUR'000	2020 MUR'000
Cash settlement	4,076	943
Equity settlement	4,076	943
	8,152	1,886

The entitlement relating to 2021, based on the average share price as at 30 June 2020 of MUR 5.87, represents 693,634 shares which will be issued in June 2022 and June 2023.

The entitlement relating to 2020, based on the share price as at 30 June 2020 of MUR 3.48, represents 270,977 shares which will be issued in June 2021 and June 2022.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

29. BORROWINGS (Cont'd)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Current	MUR'000	MUR'000	MUR'000	MUR'000
		Restated		
Bank overdrafts	739,197	1,355,605	84,557	-
Bank loans repayable by instalments	554,311	870,765	-	-
Fixed and floating rate secured notes (Note (b))	1,590,092	2,863,811	33,880	330,802
Cash at call with non-subsidiaries	13,496	10,072	4,042	3
Cash at call with related parties (Note 44)	-	-	96,239	-
Other loans (Note (d))	2,783,448	2,039,222	-	-
Money market line	-	441,635	-	150,000
Export bills and vendors' financing	1,417,273	934,229	-	-
Import loans	1,144,993	1,587,758	-	-
	8,242,810	10,103,097	218,718	480,805
Non-current				
Bank loans repayable by instalments (Note (c))	4,827,731	3,092,457	-	-
Fixed and floating rate secured notes (Note (b))	6,279,091	7,303,484	2,984,635	2,487,637
Other loans	-	239,487	-	-
Export bills and vendors' financing	-	7,451	-	-
	11,106,822	10,642,879	2,984,635	2,487,637
Total borrowings	19,349,632	20,745,466	3,203,353	2,968,442

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

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

CIEL Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR'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
2020	10 years	5.45%	530	530,000
2021	10 years	5.45%	500	500,000
				3,000,102

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

29. BORROWINGS (Cont'd)

SUN Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR'000
2016	5 years	6.00%	814,756	814,504
2016	5 years	3.15%	322,000	321,900
2016	7 years	6.50%	958,276	956,128
2016	7 years	3.55%	336,024	335,271
2020	1.5 years	5.99%	26,868	268,559
2020	1.5 years	6.68%	20,739	154,149
2020	2 years 7 months	1.86%	8,000	397,587
2020	4 years 7 months	2.25%	8,500	421,344
2020	6 years 7 months	2.43%	8,500	420,253
2020	9 years 7 months	3.50%	5,000	246,218
				4,335,913

Due to the full border closure in Mauritius in this financial year, the normal operations of the resorts in SUN Limited were suspended with only minor business from locals and quarantine. Thus, one of the covenants in respect of a bond issue and an existing bank loan at two of SUN Limited's subsidiaries were breached due to inadequate revenues and waivers were obtained accordingly prior to the end of the reporting date from the note holders.

CIEL Finance Limited

The fixed rate secured notes include an amount of MUR 500M taken in September 2019 by the Company. The break-down of the notes based on maturity and interest rate broken down is as follows:

Date of issue	Maturity	Coupon rate	No of notes issued	MUR'000
27-Sep-19	5 years	4.50%	150,000	150,000
27-Sep-19	6 years	4.62%	175,000	175,000
27-Sep-19	7 years	4.76%	175,000	175,000
				500,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

29. BORROWINGS (Cont'd)

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

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
- after 1 year and before 2 years	1,146,391	583,240
- after 2 years and before 3 years	858,525	626,261
- after 3 years and before 5 years	1,608,910	1,229,477
- after 5 years	1,213,905	653,479
	4,827,731	3,092,457

(d) Other loans

Other loans include an overnight facility taken in June 2021 from the Central Bank of Madagascar amounting to MGA 200bn and bearing a fixed coupon rate of 6.16%. They also include a loan contracted by BNI Madagascar in June 2020 with Central Bank of Madagascar for MGA 42bn which has a term of 15 months and bears a fixed coupon rate of 4.97% per annum.

All borrowings are denominated in MUR except for the below:

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
(i) Proparco loans denominated in Euros	-	227,011
(ii) Social security authority denominated in Ariary	-	10,490
(iii) Overnight facility	2,180,000	-
(iv) Central Bank of Madagascar	457,800	-
	2,637,800	237,501
Repayable:		
Within one year	2,783,448	2,039,222
After one year but before two years	-	238,045
After two years but before three years	-	578
After three years but before five years	-	864
After five years	-	-
	2,783,448	2,278,709

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

29. BORROWINGS (Cont'd)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	%	%	%	%
Mauritian rupee				
Bank overdrafts	2.95 - 4.10	4.05 - 6.25	4.10	5.75
Bank loans repayable by instalments	2.55 - 3.85	3.85 - 4.65	-	-
Fixed rate multicurrency notes	1.86 - 6.68	3.40 - 5.83	4.00 - 5.60	3.40 - 5.83
Expert bills and vendors' financing	4.10	7.65 - 8.00	-	-
Money market line	2.50 - 2.80	4.10 - 5.75	2.50 - 2.80	5.75
US Dollar				
Bank overdrafts	Libor + 1.5%/+ 2.50/+3.25	Libor + 1.5/+ 2.50/+3.25	-	-
Bank loans repayable by instalments	2.00 - 3.90	4.37 - 7.33	-	-
Finance lease obligations	-	4.36	-	-
Export bills and vendors' financing	Libor + 1.5/+ 2.4	Libor + 1.5/+ 2.4	-	-

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
		%	%	%
Euro				
Bank overdrafts	Euribor + 1.5%/+ 2.5%	Euribor + 1.5%/+ 2.50	-	-
Bank loans repayable by instalments	-	3.93	-	-
Expert bills and vendors' financing	Euribor + 1.5%/+ 2.4%	Euribor + 1.5%/+ 2.40	-	-
Indian Rupee				
Bank overdrafts	8.10 - 8.70	8.10 - 8.70	-	-
Expert bills and vendors' financing	8.10 - 8.70	8.10 - 8.70	-	-

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Rupee	7,984,216	8,002,070	3,203,354	2,968,442
Euro	5,104,429	6,149,880	-	-
US dollars	2,335,580	3,520,463	-	-
UK Pound	378,389	351,023	-	-
INR	635,789	389,603	-	-
Ariary	2,637,800	2,037,343	-	-
Others	273,429	295,594	-	-
	19,349,632	20,745,976	3,203,354	2,968,442

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

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

29. BORROWINGS (Cont'd)

Accounting policies (Cont'd)

(g) The carrying amounts of assets pledged as security for current and non-current borrowings are:

(j) Assets pledged as security (Cont'd)

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Non-current assets				
Fixed and floating charge				
Property, plant and equipment	21,811,113	20,888,707	-	-
Right-of-use assets	2,398,036	2,609,717	-	-
Investment properties	2,943,829	2,008,060	-	-
Intangible assets	72,704	90,106	-	-
Derivatives	-	7,746	-	-
Investments in subsidiaries	5,391,279	4,084,699	3,500,628	2,437,353
Investments in joint ventures	1,854,517	1,803,258	-	-
Investments in associates	416,198	728,873	-	-
Investments in other financial assets	420,894	328,023	-	-
Deposit on investments	14,772	7,304	-	-
Leasehold rights and land prepayments	-	230,530	-	-
Non-current receivable	16,920	22,435	-	-
Derivative financial instruments	-	-	-	-
First mortgage			-	
Freehold land and buildings	-	2,718,549	-	-
Investment properties	-	-	-	-
Total non-current assets pledged as security	35,340,262	35,528,007	3,500,628	2,437,353
Current assets				
Fixed and floating charge				
Inventories	3,744,850	3,417,232	-	-
Trade and other receivables	3,308,536	3,236,444	-	-
Cash and cash equivalents	1,700,169	1,287,167	-	-
Floating charge				
Property, plant and equipment	-	-	-	-
Investment in other financial assets	2,166	6,180	-	-
Trade and other receivables	16,082	37,287	-	-
Cash and cash equivalents	289,616	131,873	-	-
Total current assets pledged as security	9,061,419	8,116,183	-	-

30. DEFERRED INCOME TAXES

Accounting policies

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

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

30. DEFERRED INCOME TAXES (Cont'd)

Accounting policies (Cont'd)

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% (2020 - 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	
		Restated
	2021	2020
	MUR'000	MUR'000
Deferred income tax liabilities	1,359,649	1,487,782
Deferred income tax assets	(419,361)	(427,768)
	940,288	1,060,014

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profit is probable.

Deferred income tax assets arise from the Textile, Healthcare and Hotel segments. The former two segments are profitable and hence the deferred income tax assets are deemed recoverable. The Hotel segment has made an assessment on the recoverability of its deferred income tax assets and concluded that these will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries.

At the end of the reporting period, the Group had unrecognised deferred tax assets of **MUR 192M** (2020 – MUR 220M).

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

	THE GROUP	
		Restated
	2021	2020
	MUR'000	MUR'000
At 1 July		
- As previously stated	1,060,014	1,046,473
- Effect of prior year adjustments (Note 46)	-	15,803
At 1 July, as restated	1,060,014	1,062,276
Impact of IFRS 16	-	(56,797)
Underprovision/(Overprovision) of deferred tax in previous years (Note 35)	6,398	(2,218)
Translation difference	3,575	2,431
Charged/(Credited) to profit or loss (Note 35)	(256,212)	(49,151)
(Credited)/Charged to other comprehensive income	151,126	103,473
Transfer to assets/liabilities classified as held for sale (Note 21(c))	(24,613)	-
At 30 June	940,288	1,060,014

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

30. DEFERRED INCOME TAXES (Cont'd)

Accounting policies (Cont'd)

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

The Group	Accelerated Tax Depreciation	Revaluation of Properties	Total
Deferred tax liabilities	**MUR'000**	**MUR'000**	**MUR'000**
At 01 July 2019 – as previously stated	870,165	682,047	1,552,212
Effect of prior year adjustments	15,803	-	15,803
At 01 July 2019 – as restated	885,968	682,047	1,568,015
Reclassification	3,323	(3,323)	-
Under/Over provision	(2,218)	-	(2,218)
Translation difference	8,493	15,238	23,731
(Credited)/Charged to profit or loss	(28,396)	39,583	11,187
Charged to other comprehensive income	-	140,364	140,364
At 30 June 2020 – as restated	867,170	873,909	1,741,079
Under/Over provision	**1,319**	**(431)**	**889**
Transfer to Assets classified as held for sale	**(44,808)**	-	**(44,808)**
Translation difference	**7,972**	**9,833**	**17,805**
(Credited)/Charged to profit or loss	**22,448**	**(59,535)**	**(37,087)**
Charged to other comprehensive income	-	**112,166**	**112,166**
At 30 June 2021	**854,101**	**935,942**	**1,790,044**

	Provisions/ Others	Retirement Benefit Obligation	Tax Losses Carried Forward	Rights of use assets	Total
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Deferred tax assets					
At 01 July 2019, as restated	69,170	86,036	350,533	56,797	562,536
Credited/(charged) to profit or loss	106,335	(10,962)	(47,243)	12,208	60,338
Credited/(charged) to other comprehensive income	(1,012)	37,904	-	-	36,891
Translation difference	9,522	334	10,864	580	21,301
At 30 June 2020, as restated	184,015	113,312	314,154	69,585	681,066
Under/Over provision	**(8,333)**	**4,455**	**(1,631)**	-	**(5,509)**
Transfer to Assets classified as held for sale	**(17,680)**	**(2,514)**	-	-	**(20,194)**
Translation difference	**9,072**	**838**	**4,221**	**97**	**14,228**
Credited/(charged) to profit or loss	**2,923**	**(10,776)**	**220,779**	**6,199**	**219,125**
Credited/(charged) to other comprehensive income	**(1,398)**	**(37,562)**	-	-	**(38,960)**
At 30 June 2021	**168,599**	**67,753**	**537,523**	**75,881**	**849,756**

	2021	Restated 2020
	MUR'000	MUR'000
Net deferred tax liabilities	940,288	1,060,014

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

30. 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 periods.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefits. 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, C-Care (Mauritius) Limited 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

31. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

	THE GROUP 2021 MUR'000	2020 MUR'000
Amounts recognised in the statement of financial position:		
- Defined pension benefits (note (a)(ii))	350,549	556,428
- Other post-employment benefits (note (b)(i))	375,464	469,835
	726,013	1,026,263
Analysed as follows:		
Non-current liabilities	726,013	1,026,263
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	74,609	68,187
- Other post-employment benefits (note (b)(iii))	65,766	80,896
	140,375	149,083
Amounts charged to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	(230,707)	299,744
- Other post-employment benefits (note (b)(iv))	(68,735)	28,081
	(299,442)	327,825

(a) Defined pension benefits

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

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

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

	THE GROUP 2021 MUR'000	2020 MUR'000
(ii) The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	(1,113,551)	(986,395)
Present value of funded obligations	1,440,460	1,448,017
Deficit of funded plans	326,909	461,622
Present value of unfunded obligations	23,640	94,806
Liability in the statement of financial position	350,549	556,428
The net defined benefit liability is arrived at as follows:		
Balance at 1 July	556,428	247,176
Charged to profit or loss (Note 31(a)(iv))	74,609	68,187
Charged to other comprehensive income (Note 31(a)(v)	(230,707)	299,744
Contributions and benefits paid	(49,781)	(58,679)
Balance at 30 June	350,549	556,428

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

31. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(a) Defined pension benefits (Cont'd)

	THE GROUP 2021 MUR'000	2020 MUR'000
(iii) The movement in the defined benefit obligation is as follows:		
Balance at 1 July	1,542,823	1,207,954
Current service cost	54,199	53,567
Interest expense	56,729	67,961
Employees' contributions	5,460	7,065
Actuarial gains/(losses)	(41,357)	79,711
Liability losses due to change in financial assumptions	(97,620)	199,669
Reclassification to gratuity on retirement	-	(7,853)
Benefits paid	(56,134)	(65,251)
Balance at 30 June	1,464,100	1,542,823

	THE GROUP 2021 MUR'000	2020 MUR'000
(iv) The movement in the fair value of plan assets of the year is as follows:		
Balance at 1 July	986,395	952,925
Expected return on plan assets	31,744	55,596
Gain/(Losses) on plan assets, excluding interest	48,204	(6,468)
Actuarial gains/(losses)	10,039	(5,855)
Scheme expenses	4,575	(585)
Cost of insuring risk benefits	-	(1,670)
Experience gains/(losses)	33,487	(8,041)
Employer contributions	49,781	58,679
Employee contributions	5,460	7,065
Benefits paid	(56,134)	(65,251)
Balance at 30 June	1,113,551	986,395
The amounts recognised in profit or loss are as follows:		
Current service cost	54,199	53,567
Scheme (income)/expenses	(4,575)	585
Cost of insuring risk benefits	-	1,670
Net Interest expense	24,985	12,365
Total, included in employee benefit expense	74,609	68,187
The amounts recognised in other comprehensive income are as follows:		
Remeasurement on the net defined benefit liability:		
Liability experience gains/(losses)	(33,487)	89,227
Liability losses due to change in financial assumptions	(97,620)	199,669
Actuarial losses	(51,396)	4,380
Gain/(Losses) on plan assets, excluding interest	(48,204)	6,468
	(230,707)	299,744

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

31. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(a) Defined pension benefits (Cont'd)

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
(v) The fair value of the plan assets at the end of the reporting period were:		
Cash and cash equivalents	90,267	105,750
Local equities	359,790	163,571
Overseas equities	308,334	403,029
Debt instruments	355,160	49,072
Property	-	264,973
Total Market value of assets	1,113,551	986,395

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.

(vi) The fair value of the plan assets at the end of the reporting period were:

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.

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

	THE GROUP	
	2021	2020
	%	%
Discount rate	3.1 - 5	3.1 - 5.8
Future salary increases	1.5 - 2.9	1.5 - 4

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

	2021		2020	
	Increase	Decrease	Increase	Decrease
	MUR'000	MUR'000	MUR'000	MUR'000
Discount rate (1% increase)	-	197,840	-	118,911
Discount rate (1% decrease)	151,310	-	117,705	-
Future long term salary assumption (1% increase)	18,702	-	25,780	-
Future long term salary assumption (1% decrease)	-	38,688	-	23,189

(ix) The sensitivity above has 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

31. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(a) Defined pension benefits (Cont'd)

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.

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

(xi) The Group expects to pay **MUR 39M** (2020: MUR 169M) in contributions to its post-employment benefit plans for the year ended 30 June 2020.

(xii) The weighted average duration of the defined benefit obligations ranges between 3 and 16 years at the end of the reporting period.

Experience adjustment on plan liabilities **MUR 62.5M** (2020: MUR 10.6M).

(b) Other post-employment benefits

Other post-employment benefits comprise pensions to be paid on retirement or on death before retirement and gratuity on retirement under the Employment Rights Act 2008.

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
(i) The amounts recognised in the statement of financial position are as follows:		
Defined benefit liability	375,464	469,835
(ii) Movement in the liability recognised in the statement of financial position:		
	469,835	542,007
Balance at 1 July		
Total expense	65,766	80,896
Liability experience gain	(145)	14,116
Actuarial losses recognised in other comprehensive income	(68,590)	13,965
Benefits paid	(68,601)	(189,002)
Reclassified from defined benefit plan	-	7,853
Transfer to liabilities directly associated with assets classified as held for sale	(22,801)	-
Balance at 30 June	375,464	469,835

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

31. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(b) Other post-employment benefits (Cont'd)

		THE GROUP	
		2021	2020
		MUR'000	MUR'000
(iii)	The amounts recognised in the profit or loss are as follows:		
		46,545	42,946
	Current service cost		
	Past service cost	4,574	(6,047)
	Effect of curtailment and settlement	(2,440)	11,642
	Interest cost	17,087	32,355
	At 30 June	65,766	80,896
(iv)	Amounts for the current year are as follows:		
	Present value of defined benefit obligation	375,464	469,835
	Actuarial losses	(68,735)	28,081
(v)	The principal actuarial assumptions used for accounting purposes were:		
		2021	2020
		%	%
	Discount rate	2.4 - 7.2	2.3 - 6.1
	Future salary increases	1.5 - 8.5	1.5 - 8.5

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

	2021		2020	
	Increase	Decrease	Increase	Decrease
	MUR'000	MUR'000	MUR'000	MUR'000
Discount rate (1% increase)	-	63,559	-	58,154
Future long-term salary assumption (1% increase)	32,003	-	51,835	-

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 24 years at the end of the reporting period.

32. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

32. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (Cont'd)

Accounting policies (Cont'd)

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.

	2021	2020
	MUR'000	MUR'000
Legal claims, severance allowances and penalties	101,094	118,771
Repayable:		
Within one year	38,673	22,343
After one year	62,421	96,428

The decrease from prior year relates to the Judgement which was obtained on 12 July 2021 for claims on additional duty in respect of the sale of Le St Geran Hotel by Sun Leisure Investments Ltd. The provision was reassessed at MUR 20M at 30 June 2021.

33. OTHER PAYABLES AND DEFERRED INCOME

Accounting policies

Whenever the Group has received considerations for services not yet provided, this is treated as a contract liability until the performance obligation is met.

Fees and commissions from banking segment are generally recognised on an accrual basis when the service has been provided when payment has been received in advance; the amount is credited to deferred revenue until the service is provided, at which time, revenue would be recognised.

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Other payables	13,830	-
Contract liabilities (i)	90,503	95,163
Deferred revenue (ii)	174,600	148,044
	278,933	243,207
Current portion	(99,715)	-
Non-Current portion	179,218	243,207

		THE GROUP	
		2021	2020
		MUR'000	MUR'000
(i) a.	Contract liabilities		
	Investment Hotel Scheme	61,990	63,262
	Golf membership fees	33,172	36,559
		95,162	99,821
	Include in financial statement as follows:		
	Non - current liabilities	90,503	95,163
	Current liabilities - under trade and other payables	4,659	4,658
		95,162	99,821

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

33. OTHER PAYABLES AND DEFERRED INCOME (Cont'd)

	THE GROUP	
	2021	2020
(i) b.	MUR'000	MUR'000
At 01 July	99,821	104,480
Release to profit or loss	(4,659)	(4,659)
At 30 June	95,162	99,821

In 2018, 14 rooms under the Invest Hotel Scheme (IHS) were sold generating a revenue of MUR 134.8M. A net profit before tax of MUR 46.6M were realised on the transaction. The rooms were sold by Long Beach IHS 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 were accounted as a finance lease in the Group Financial Statements. As such, excess sales proceeds over the carrying amount has been deferred in Group Financial Statements over the period of the lease term.

(ii) Deferred revenue relates to BNI Madagascar and is broken down as follows:

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Income received in advance	174,600	103,002
Processing fees	-	45,042
	174,600	148,044

34. 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	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Trade payable	2,438,528	2,026,652	-	-
Client advances	330,135	316,487	-	-
Payable to subsidiary companies (Note 44)	-	-	23,470	7,185
Payable to related companies (Note 44)	21,714	8,306	-	-
Other payables	1,107,494	1,101,738	24	-
Export documentary remittances	1,633,936	1,627,063	-	-
Deposits from customers	159,036	220,902	-	-
Employees related expenses	630,133	563,359	600	-
Accrued expenses	390,672	378,492	18,973	12,713
Current accounts with other banks	29,440	121,412	-	-
Other payables to banks	316,928	-	-	-
	7,058,016	6,364,411	43,067	19,898

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

34. TRADE AND OTHER PAYABLES (Cont'd)

Payables are denominated in the following currencies and exclude client advances, deposits from customers and taxes on employee benefits.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
USD	807,790	449,257	-	-
EURO	144,304	235,312	-	-
MUR	2,505,768	1,568,116	43,067	19,898
GBP	68,331	1,093,152	-	-
INR	646,266	493,718	-	-
MGA	2,238,097	1,913,090	-	-
Others	158,289	74,377	-	-
	6,568,845	5,827,022	43,067	19,898

35. INCOME TAX

Accounting policies

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
CHARGE				
Current tax on the adjusted profit for the year	291,861	250,822	394	606
(Over)/under provision in previous years	(6,208)	14,494	-	-
Corporate Social Responsibility tax ("CSR")	3,553	1,478	13	-
Deferred income tax (Note 30)	(249,814)	(51,369)	-	-
Charge for the year	39,392	215,425	407	606
Current tax charge analysed as follows :				
Continuing Operations	79,548	189,073	407	606
Discontinued Operations (Note 47)	(40,156)	26,352	-	-
	39,392	215,425	407	606
LIABILITY				
At 1 July	(23,138)	99,222	443	-
(Under)/over provision in previous years	(6,208)	14,494	-	-
Charge for the year	291,861	250,822	394	606
CSR expense for the year	3,553	1,478	13	-
Paid during the year for previous year	(35,692)	(225,798)	(456)	-
Advance payment for current year	(326,055)	(120,088)	(313)	(163)
Tax deducted at source paid for current year	(2,335)	(53,780)	-	-
Exchange difference	7,952	10,512	-	-
At 30 June	(90,062)	(23,138)	81	443
Analysed as follows:				
Current income tax liabilities	60,889	21,949	81	443
Current income tax assets	(150,951)	(45,087)	-	-
	(90,062)	(23,138)	81	443

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

35. INCOME TAX (Cont'd)

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

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Profit/(Loss) before income tax – Continuing Operations	772,806	(1,106,161)	130,110	165,792
(Loss) before income tax – Discontinued Operations (Note 47)	(287,537)	(856,558)	-	-
	485,269	(1,962,719)	130,110	165,792

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Tax calculated at a rate of 17% (2020: 17%)	82,496	(333,662)	22,119	28,185
Tax effect of:				
Income not subject to tax	(331,131)	(311,421)	(62,555)	(65,535)
Expenses not deductible for tax purposes	284,382	633,807	40,843	37,956
Effect of different tax rate	8,933	255,715	-	-
(Over)/Under provision income tax previous years	(6,208)	14,494	-	-
Under/(Over) provision deferred tax previous years	6,398	(2,218)	-	-
Utilisation of tax losses	(79,051)	21,206	-	-
Investment tax relief	(7,374)	(4,773)	-	-
Foreign tax credit	(4,097)	(41,651)	-	-
Effect of tax losses unrecognised	(1,745)	-	-	-
Deferred tax asset not recognised	85,054	2,407	-	-
Covid Levy	18,680	-		
Other adjustments	(16,945)	(18,479)	-	-
	39,392	215,425	407	606
Analysed as follows:				
Continued operations	79,548	189,073	407	606
Discontinued operation	(40,156)	26,352	-	-
	39,392	215,425	407	606

36. 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 AND THE COMPANY	
	2021	2020
	MUR'000	MUR'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend payable for year ended 2020 of nil (2019: 14 cents per share)	-	-
Interim dividend paid for the year ended 2020 of 8 cents per share (2019: 7 cents per share)	-	134,747
	-	134,747

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

36. DIVIDENDS PER SHARE (Cont'd)

	THE GROUP AND THE COMPANY	
	2021	2020
	MUR'000	MUR'000
Amount payable as at 01 July	-	232,438
Declared during the year	-	134,747
Amount paid during the year	-	(366,745)
Unclaimed dividend written back	-	(440)
Amount payable as at 30 June	-	-

37. 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	
	2021	2020
	MUR'000	MUR'000
Banking Segment		
Demand deposits	19,874,258	17,465,104
Savings deposits	5,014,260	4,133,962
Time deposits with remaining terms to maturity:		
Within 1 year	4,190,691	3,024,959
Over one year and up to five years	8,990	8,253
	29,088,199	24,632,278
Current	29,079,209	24,624,024
Non-current	8,990	8,253
Individuals	7,627,663	6,264,267
SMEs	2,125,501	8,083,829
Mid Caps	3,701,355	8,566,598
Other corporate	15,633,680	1,717,584
	29,088,199	24,632,278

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

38. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATING ACTIVITIES

			THE GROUP		THE COMPANY	
		Notes	2021 MUR'000	2020 MUR'000 Restated	2021 MUR'000	2020 MUR'000
(a)	Cash flow from operating activities					
	Reconciliation of profit before income tax to cash generated from operations:					
	Profit/(loss) before income tax – continuing operation		772,806	(1,106,161)	130,110	165,792
	Loss before income tax – discontinued operation	47(d)	(287,537)	(856,558)	-	-
	Amortisation of intangible assets	11	92,366	96,495	-	-
	Depreciation on property, plant and equipment	9(a)	1,130,182	1,198,867	-	-
	Depreciation on right of use assets	9(b)	176,813	179,748	-	-
	Interest expense	6	1,065,087	1,209,503	140,134	143,791
	Interest income	6	(20,071)	(47,651)	(576)	(3,829)
	Amortisation of leasehold land	16	-	36,406	-	-
	Fair value gain on investment property	10	(959,638)	(160,297)	-	-
	Fair value gain on asset held for sale	21	20,106	(20,106)	-	-
	Fair value movement on derivatives	42(c)	(6,213)	100,380	-	-
	Impairment on investment in associates	14	-	108,744	-	-
	Share of result of joint ventures	13	9,588	67,047	-	-
	Share of result of associates	14	(276,912)	(15,513)	-	-
	Profit on disposal of associate	14	(26,658)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

38. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATING ACTIVITIES (Cont'd)

			THE GROUP		THE COMPANY	
		Notes	2021 MUR'000	2020 MUR'000	2021 MUR'000	2020 MUR'000
(a)	Cash flow from operating activities (Cont'd)					
	Impairment of goodwill	11	-	128,058	-	-
	Intangible assets write off	11	11,382	-	-	-
	Property, plant & equipment written off	9	38,543	(2,211)	-	-
	Impairment of property, plant & equipment	9	392,049	735,379	-	-
	Impairment of leasehold rights	16	-	45,529	-	-
	(Reversal of)/provision for impairment and write off of inventories	18	48,762	309,652	-	-
	Provision for impairment of financial assets	5(b)	152,094	436,110	-	-
	Provision for impairment on loans and advances to customers	5(b)	220,535	303,827	-	-
	Share based scheme expense	5	-	(798)	-	(798)
	Movement in provisions and deferred revenue	33	18,049	49,505	-	-
	Increase/(decrease) in provision for retirement benefit obligations net of benefits paid	31	21,993	(97,788)	-	-
	Amortisation of transaction costs on borrowings		17,061	10,620	-	-
	Unrealised exchange difference		365,469	(105,654)	1,211	-
	Land lease waiver	39	(99,053)		-	-
	Profit on disposal of investment property	10,21	(31,812)	(2,916)	-	-
	Profit on disposal of plant and equipment	5	(8,994)	(3,280)	-	-
	Profit on disposal of plant and equipment from discontinued operations	48	(29,036)	-	-	-
			2,806,961	2,596,937	270,879	304,956
	Changes in working capital:					
	- trade and other receivables		(342,648)	143,232	(303,480)	171,207
	- loans and advances		(2,379,602)	(2,949,647)	-	-
	- investment securities		(1,268,687)	52,766	-	-
	- loans and advances to banks		41,881	397,693	-	-
	- inventories		(647,080)	72,511	-	-
	- trade and other payables		821,772	(468,525)	23,035	(15,257)
	- deposits from customers		3,373,245	3,246,346	-	-
	Cash generated from operating activities		2,405,842	3,091,313	(9,566)	460,906

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

39. NOTES TO THE STATEMENTS OF CASH FLOWS

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		MUR'000	MUR'000	MUR'000	MUR'000
(a)	Cash and cash equivalents				
	Cash in hand and at bank	1,715,540	1,635,849	6,797	13,310
	Foreign currency notes and coins	134,792	122,560	-	-
	Balances with Central Bank	3,029,100	2,868,414	-	-
	Balances due in clearing	22,899	18,312	-	-
	Balances with bank	2,747,510	3,056,133	-	-
	Placements	2,281,334	538,581	-	12,336
		9,931,175	8,239,849	6,797	25,646
	Bank overdrafts	(739,197)	(1,355,605)	(84,557)	-
	Cash at call – related parties	-	-	(96,239)	3
		9,191,978	6,884,244	(173,999)	25,649

	THE GROUP				THE COMPANY		
	Cash/Bank Overdraft	Total Borrowings	Lease Liabilities	Total	Cash/Bank Overdraft	Total Borrowings	Total
(b) Year ended 30 June 2021	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net debt as at 01 July 2020	6,884,244	(19,390,371)	(3,559,333)	(16,065,460)	25,649	(2,968,442)	(2,942,793)
Cashflows	2,239,496	-	-	2,239,496	(199,648)	-	(199,645)
Additions	-	(6,947,926)	-	(6,947,926)	-	(504,117)	(504,117)
Repayments	-	8,561,619	204,389	8,766,008	-	450,000	450,000
Waiver	-	-	99,053	99,053	-	-	-
Foreign exchange adjustment	68,238	(833,757)	(9,272)	(774,791)	-	-	-
Net debt as at 30 June 2021	9,191,978	(18,610,435)	(3,265,163)	(12,683,620)	(173,999)	(3,022,559)	(3,196,555)

During the financial year 30 June 2021, the Group received a lease waiver of MUR 99M on state owned lands.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

39. NOTES TO THE STATEMENTS OF CASH FLOWS (Cont'd)

	THE GROUP				THE COMPANY		
	Cash/Bank Overdraft	Total Borrowings	Lease Liabilities	Total	Cash/Bank Overdraft	Total Borrowings	Total
(c) Year ended 30 June 2020	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net debt as at 01 July	4,501,358	(15,742,541)	-	(11,241,183)	287,294	(2,687,947)	(2,400,653)
Impact of prior year adjustment (Note 46)	-	(101,098)	249,043	147,945	-	-	-
Impact of IFRS 16	-	429,473	(4,167,747)	(3,738,274)	-	-	-
Restated balance at 01 July 2019	4,501,358	(15,414,166)	(3,918,704)	(14,831,512)	287,294	(2,687,947)	(2,400,653)
Cashflows	2,130,728	-	-	2,130,728	(261,648)	-	(261,648)
Additions	-	(5,611,484)	281,671	(5,329,813)	-	(350,546)	(350,546)
Repayments	-	2,355,580	289,055	2,644,635	-	70,051	70,051
Impact of prior year adjustment (Note 46)	-	(170,510)	210,362	39,852	-	-	-
Foreign exchange adjustment	252,158	(549,791)	(421,717)	(719,350)	3	-	3
Net debt as at 30 June 2020	6,884,244	(19,390,371)	(3,559,333)	(16,065,460)	25,649	(2,968,442)	(2,942,793)

40. CONTINGENCIES

Accounting policies

At 30 June 2020, 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 Limited has a floating charge of EUR 4M 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. The Company also has a floating charge over its assets in favour of The Mauritius Commercial Bank, acting as Noteholders' Representative under the Notes Issue effected in September 2019, for a maximum amount of MUR 500M in principal plus any interests and related costs.

SUN Limited Bank guarantees were given to Anahita Hotel Ltd on behalf of Sun Limited with respect to long-term debts contracted by the latter arising in the ordinary course of business from which it is anticipated that no material losses will arise. Except than those disclose above, the Group had no other contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business as at 30 June 2021.

CIEL Textile Limited had contingencies in respect of tax assessments, legal cases and bank guarantees to third parties in respect of expatriates amounting to **MUR 89.3M** (2020: MUR.78.1M).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

40. CONTINGENCIES (Cont'd)

CIEL Healthcare Limited

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Contingent liabilities		
Bank and other guarantees	1,670	1,801

At 30 June 2021, the Group has contingent liabilities in respect of bank and other guarantees of **MUR 1.6m** (30 June 2020: MUR 1.8m).

A plaint with summons was served on the Group by Metropolis Bramser Lab Services (Mtius) Ltd ("Metropolis") claiming compensation amounting to **MUR 150 M** (30 June 2020: MUR 150M) 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. Based on the legal advice obtained, management and the board have reasonable grounds to expect that no material financial impact will arise for the company.

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 492M** (30 June 2020: MUR 130 M).

41. COMMITMENTS

	THE GROUP	
	2021	2020
(a) Capital Commitments	MUR'000	MUR'000
Authorised by the directors and contracted for	145,573	160,000
Authorised by the directors but not contracted for	315,000	99,914
	460,573	259,914

(b) 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 amount to MUR 4.6Bn as at June 30, 2021 (2020: MUR 4.8Bn) denominated in Ariary.

42. 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 2020 and 2021.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

42. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

Accounting policies (Cont'd)

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.

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2021			
Assets			
Derivatives used for hedging	74,380	-	74,380
Liabilities			
Derivatives used for hedging	(92,691)	-	(92,691)
	(18,311)	-	(18,311)
At 30 June 2020			
Assets			
Derivatives used for hedging	98,109	9,370	107,479
Liabilities			
Derivatives used for hedging	(132,003)	-	(132,003)
Total	(33,894)	9,370	(24,524)

Derivatives include forward exchange contracts and interest rate swaps with a notional amount of **MUR 4.2Bn** (2020: MUR 11.8Bn).

a. Assets

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
Derivatives used for hedging			
Balance as at 1 July, 2019	49,917	3,127	53,044
Gains/(losses) recognised in profit or loss	48,192	6,243	54,435
Balance as at 30 June 2020	98,109	9,370	107,479
Gains/(losses) recognised in profit or loss	(23,729)	(9,370)	(33,099)
Balance as at 30 June 2021	74,380	-	74,380

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

42. DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

b. Liabilities

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
Derivatives used for hedging			
Balance as at 1 July, 2019	(27,375)	-	(27,375)
(Losses) recognised in other comprehensive income	50,187	-	50,187
Gains/(losses) recognised in profit or loss	(154,815)	-	(154,815)
Balance as at 30 June 2020	(132,003)	-	(132,003)
Gains/(losses) recognised in profit or loss	**39,312**	-	**39,312**
Balance as at 30 June 2021	**(92,691)**	-	**(92,691)**

c. Amount recognised in profit or loss

	2021	2020
	MUR'000	MUR'000
Assets	(33,099)	54,435
Liabilities	39,312	(154,815)
	6,213	(100,380)

d. Amount recognised in other comprehensive income

	2021	2020
	MUR'000	MUR'000
Assets	-	-
Liabilities	-	50,187
	-	50,187

43. CASH FLOW HEDGE

Accounting policies

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

43. CASH FLOW HEDGE (Cont'd)

Accounting policies (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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

43. 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	Average exchange rate 2021	Average exchange rate 2020	2021 Sell FC'000	2021 Buy FC'000	2020 Sell FC'000	2020 Buy FC'000	Contract value 2021 Rs '000	Contract value 2020 Rs '000	Fair value 2021 Rs '000	Fair value 2020 Rs '000	Gain/(loss) 2021 Rs '000	Gain/(loss) 2020 Rs '000
Sell currency EUR and buy currency USD	1.13	1.14	2,885	3,256	1,969	2,236	(92,081)	88,302	(90,586)	89,598	1,495	1,296
Sell currency EUR and buy currency MUR	48.72	45.39	536	26,113	535	24,281	(26,113)	24,281	(26,689)	24,900	(576)	619
Sell currency GBP and buy currency USD	1.34	1.30	4,665	6,252	2,267	2,940	(262,895)	13,253	(270,073)	19,866	(7,178)	6,613
Sell currency GBP and buy currency MUR	57.70	46.90	1,312	75,700	1,000	46,900	(75,700)	(46,900)	(76,105)	(48,416)	(405)	(1,516)
Sell currency ZAR and buy currency USD	0.07	0.06	137,227	9,526	62,250	3,929	220,720	118,851	236,621	136,923	15,901	18,072
Sell currency ZAR and buy currency MUR	2.50	2.38	194,233	486,195	89,737	213,502	(35,118)	213,502	(50,090)	225,718	(14,972)	12,216
Sell currency USD and buy currency MUR	41.41	37.57	25,941	1,074,090	40,547	1,523,531	863,643	1,523,531	845,654	1,458,076	(17,989)	(65,455)
Sell currency USD and buy currency ZAR	-	-	1,500	17,074	-	-	17,963	-	18,731	-	768	-
Sell currency USD and buy currency INR	75.40	74.80	7,350	554,206	2,900	216,917	321,439	114,966	322,958	112,351	1,519	(2,615)
Sell currency GBP and buy currency INR	104.25	95.71	1,150	119,886	1,251	119,733	69,534	63,459	69,655	65,983	121	2,524
Sell currency EUR and buy currency INR	91.36	84.96	2,600	237,527	2,600	220,892	137,766	117,073	140,500	114,066	2,734	(3,007)
Total							1,139,158	2,230,318	1,120,576	2,199,065	(18,582)	(31,253)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

43. CASH FLOW HEDGE (Cont'd)

Textile Cluster (Cont'd)

	2021 MUR'000	2020 MUR'000
Recognised as follows:		
On statement of financial position		
Fair value asset on forward contracts	8,973	18,977
Fair value liability on forward contracts	(27,555)	(50,230)
	(18,582)	(31,253)
In statement of profit or loss		
(Loss)/gain on financial derivatives	(29,396)	(27,739)
In statement of other comprehensive income		
Gain/(loss) on financial derivatives	10,814	(3,514)
	(18,582)	(31,253)

Hotel Cluster

The Group is exposed to foreign currency risk, most significantly to the Euro, Pound Sterling and US Dollar, on the Group's sales denominated in these currencies. The Group hedges these exposures by entering into foreign currency loans ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies. All exchange differences arising on the conversion of foreign currency loans are deferred in equity, under the cash flow hedge reserve to the extent that the hedge is effective. On recognition of the hedged sales, the foreign currency gain/loss is netted off by releasing a portion of the cash flow hedge reserve.

As a result of the uncertainty in expected foreign currency revenue resulting from the Covid-19 pandemic and the related suspension of its operations, the hotel segment has reviewed the hedging portfolio to confirm whether the underlying transactions remain "highly probable".

At the time of reporting, management has identified:

(i) A portion of foreign currency sales which are no longer deemed to be "highly probable" but are still expected to occur Hence, the corresponding cumulative gain or loss deferred in equity whilst the hedge was effective remains in equity until the forecasted transaction occurs.

(ii) A portion of foreign currency sales which are no longer deemed to the "highly probable" and are not expected to occur. Hence the corresponding cumulative gain or loss deferred in equity whilst the hedge was effective are immediately removed from equity and are recognised in the statement of profit or loss.

Below is a schedule indicating as at 30 June 2021, the periods when the hedge cash flows are expected to occur and when they are expected to affect profit or loss.

THE GROUP	Within 1 year MUR'000	1 to 3 years MUR'000	3 to 5 years MUR'000	More than 5 years MUR'000
2021				
Cash inflows	-	2,497,211	1,416,828	740,943
Cash outflows	(229,403)	(2,863,642)	(1,416,828)	(740,943)
Net cash outflows	(229,403)	(366,431)	-	-
2020				
Cash inflows	-	1,002,307	879,809	4,668,871
Cash outflows	(3,055,407)	(1,002,307)	(879,809)	(4,668,871)
Net cash outflows	(3,055,407)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

43. CASH FLOW HEDGE (Cont'd)

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	Sell	Assets	Liabilities
	MUR'000	MUR'000	MUR'000	MUR'000
Year 30 June 2021				
EURO to MUR	**74,512**	**78,564**	**3,034**	**3,456**
EURO to USD	**14,699**	**-**	**-**	**307**
GBP to MUR	**32,455**	**34,602**	**1,001**	**1,062**
USD to MUR	**1,168,121**	**1,060,284**	**43,578**	**42,361**
ZAR to MUR	**280,296**	**280,296**	**21,180**	**21,180**
	1,570,083	**1,453,746**	**68,793**	**68,366**
Year 30 June 2020				
EURO to MUR	89,656	84,958	8,382	8,168
EURO to USD	114,418	114,518	857	857
GBP to MUR	46,900	46,900	2,350	2,350
GBP to USD	63,752	63,752	3,301	3,301
USD to MUR	1,150,084	1,114,926	62,673	65,528
ZAR to MUR	43,665	43,665	1,295	1,295
ZAR to USD	1,644	1,644	274	274
	1,510,119	1,470,363	79,132	81,773

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

44. 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	**2021**	**57,962**	**1,015**	-	**27,961**	-
	2020	38,787	21,251	2,739	19,763	-
Enterprises that have a number of common directors	**2021**	-	**18,998**	**19,672**	**87,539**	**21,714**
	2020	-	400	-	73,893	8,306
Joint ventures in which the company is a venturer	**2021**	-	-	-	-	-
	2020	-	1,402	-	-	-
Shareholders, Director and Key management personnel	**2021**	-	-	-	-	**7,075**
	2020	-	-	-	-	18,000

(b) The Company

		Dividend Income	Management Fees and Other Expenses	Interest, Rental and Other Income	Financial Charges	Call	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary companies	**2021**	**360,320**	**59,891**	**545**	**2,005**	**96,239**	**316,428**	**23,470**
	2020	375,827	39,862	4,718	1,781	12,338	15,302	7,185
Associated companies	**2021**	**4,595**	-	-	-	-	-	-
	2020	2,816	-	-	-	-	380	-

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

(c) Amounts owed to/by related parties are unsecured and are repayable on demand. 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.

(d) Key management personnel salaries and compensation

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Salaries and short-term employee benefits	337,843	442,992
Post-employment benefits	19,123	19,689
	356,966	462,681

45. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

(i) Banking specific segment

BNI Madagascar ("BNI") is a bank under the Finance Cluster. 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.

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

(ii) Non-banking specific segment

Textile segment

The cluster's credit risk is primarily attributable to its trade receivables and bank balances. For banks and financial institutions, the cluster only transacts with highly reputable counterparties. 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 and Resorts segment

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 considering the value of any collateral obtained.

Agro & Property segment

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 segment

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. The cluster has no significant concentration of credit risk, with exposure spread over a large number of counterparties

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(ii) Non-banking specific segment

Financial services segment

The cluster'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 in accordance with IFRS 9 based on history, the current economic environment, and future macro-economic variables. The cluster 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 cluster is dealing with. In the opinion of the cluster, there is no associated risk as these are reputable institutions.

The cluster has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The cluster 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 cluster does not hold any collateral security for receivables relating to the non-banking segment.

(b) Credit risk

Credit risk is the risk of suffering financial loss, should any customers, clients or market counterparties fail to fulfil their contractual obligations to the Group.

(i) Non-banking specific segment

The credit risk exposure of the Group's non-banking segment has been assessed in Notes 19(e), 20 and 24.

(ii) Banking specific segment – BNI Madagascar SA ("BNI")

Credit risk of the banking specific segment arises mainly from commercial and consumer loans, credit cards, loan commitments and also credit enhancements 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 cluster 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. All policies and limits are presented to BNI's board for approval.

The strategy is to set a global acceptable level of risk and exposure limits and then to put in place the required limits to ensure that the risks taken remain within the acceptable threshold. The risk strategy and related thresholds approved by the Risk Committee include a global limit set with regards to sovereign risk including Central Bank and other government institutions whilst for the corporate sector, the limits are set per sector; Telecommunications, Transport-transit, real estate and textile. The credit policies are reviewed annually with the budget.

Management regularly reviews the loan portfolio, including non-performing loans, and periodically submits 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 wherever they are identified – within individual counterparties, groups and sectors.

BNI monitors credit risk by having limits on the level of risk accepted for an individual or a group of borrowers, and 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

Counterpart limits

BNI defines a single counterparty as a legally and / or financially consolidated counterparty or group of counterparties. Based on the local standards in Madagascar, the risk division rule provides for the obligation to respect two limits at all times as follows:

(i) Any commitment to a single counterparty which may not exceed 35% of the bank's equity.

(ii) For all major risks (cumulative commitments in favor of shareholders, the Board of Administration and auditors) set at a maximum threshold of 10% of equity.

In principle, the maximum risk that BNI is prepared to accept is defined according to the creditworthiness, expected loss (ECL) and probability of default (PD) of the counterparty. And as a general rule, limits are proportional to both the equity of the bank and that of the counterparty.

Sectorial limits

BNI aims to maintain a reasonably granular portfolio in terms of exposure to business sectors. To this end, limits have been set and regularly revised for the maximum credit exposure to a single sector (as a percentage of total exposure) according to the dynamics, outlook and risk profiles of each sector, assessed periodically through sector studies carried out by BNI.

Sovereign limits

The key attribute for determining sovereign limits is the country risk rating assessed by rating agencies and the sovereign risk assessment conducted internally. This assessment is regularly updated based on the macroeconomic outlook, changes in the business environment, the quality of governance as well as the country's political risk profile.

COVID-19 context

In 2020, the economy of Madagascar was severely impacted by the Covid-19 pandemic, due to the fall of tourism activities, exports and lower domestic demand. As tax revenues decreased sharply, the fiscal situation deteriorated the domestic primary balance resulting in a deficit of about 3% of GDP in 2020 compared to a surplus in 2019. Indeed, an economic recession with a GDP growth of -4,24% has been declared by The International Monetary Fund at the end of 2020. Almost all the main sectors, which contribute significantly to GDP, are affected, especially vanilla, textile, tourism and mining industries. However, many mitigation interventions have been initiated by the Government to preserve and maintain the national macroeconomic and the financial stability. Among these actions, the most significant are :

His Excellency President Andry Rajoelina initiated the FIHARIANA project, a national program of the Government whose main objective is to give both technical and financial support to any Malagasy wishing to start a business. Malagasies can now go into entrepreneurship and borrow between 200,000 Ariary to 200 million Ariary from the program to finance their project;

- The development of the MIARINA loan in conjunction with the banking sector is a 24-month amortisable and subsidised loan intended to support Small and Medium Enterprises (SMEs) with a formal activity and who are impacted by the consequences of the Covid-19 crisis. The loan is 100% guaranteed by the FIHARIANA Project ;
- The Ministry of Agriculture, Livestock and Fisheries, supported by the African Development Bank, implemented, for a duration of three years, the Program for the Promotion of Youth Entrepreneurship in Agriculture and Agro-Industry. This is a program open to young graduates aged between 18 and 35, who have an idea or an agro-business project and who wish to become an agricultural entrepreneur. Some business plans have been received by BNI which has been the first to implement this agreement. Young entrepreneurs had the opportunity to benefit from preferential loan conditions and the best banking services of BNI facilitate their banking access (guarantee coverage rate of 100% by the program) and carry out their projects;
- The postponement of maturities up to 3 months for loans to individuals affected by COVID has been requested by the Government to banking sector. Accompanying measures have also been put in place for businesses (postponement of maturity, Special treasury loan development, etc.);
- According to Central Bank instruction, the banking sector has benefited from a reduction of the minimum compulsory reserves equivalent to the amount of rescheduled loans;

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

- The Central Bank was also committed to maintaining a sufficient level of liquidity in the market. While there were no blanket concessions, lending limit overruns were dealt with on a case-by-case basis. Indeed, this institution have reacted swiftly to limit the pro-cyclical impact of this crisis and ensure banks have access to additional resources that should be used to provide more financial support to borrowers;
- A daily liquidity amounting to approximately MGA 100 billion has been made available for the banking system in 2020;
- To support the economy, the level of monetary policy instruments remained unchanged (the rate of deposit facilities remained at 0.90%, that of marginal lending facilities at 5.30% and the minimum reserve coefficient at 13%).

Internal Customer support during the Covid-19 crisis and Credit risk mitigation strategy

The main support measures taken internally by BNI are mainly:

- Rescheduled the maturity of loans for an outstanding amount of MGA 188 billion and MGA 4 billion
- Development of special treasury loans relating to corporates and SMEs with preferential terms for an amount of MGA 22 billion and MGA 19 billion respectively.
- All the private sector employees have benefited (about 37 663 clients concerned) of the postponement of maturities up to 3 months in two (02) waves in 2020. An outstanding amount of MGA 58 billion has been rescheduled in the first wave of maturity postponement for about 21 654 individual borrowers (period from March 2020 to May 2020) and MGA 42 billion in the second wave for 16 009 individual borrowers (period from July 2020 to September 2020). Furthermore, the tourism and textile industry are the most concerned by this support as they occupy the largest part of private sector portfolio and are the most affected by the Covid-19 crisis.

Under these difficult conditions, BNI continues to carefully assess critical elements of his credit risk management, including data infrastructure, monitoring, and reporting management, risk segmentation, portfolio stress testing, guarantee management, recovery management and credit risk strategy and governance. And apart from others mitigation actions already implemented, the following actions have been emphasized and strengthened furthermore from the beginning of the crisis until now:

Strengthening of the monitoring system

- Frequent risk committee for a meticulous review of customers both in Watch-list and downgraded.
- Strategies have also been put in place to engage with borrowers as soon as they show signs of distresses (cash flow domiciliation decrease, scoring decrease, industry degradation, etc.), especially corporate customer. Indeed, borrowers in distress have been identified early so that viable borrowers can be provided with sustainable solutions in a timely manner. This would partly mitigate the economic impact of the pandemic for debtors and the bank alike. To achieve this, BNI has implemented an early warning system that monitors borrower-specific signs of distress, and a systematic reporting is frequently addressed to senior management and strategic committees.
- Apart from the delegations in force to settle all forcing operations in the debit of current account without formal lines granted or beyond the granted lines, a special committee composed of the CEO, CRO and the sales team has been set up for deciding to all overrun on the overdraft line beyond MGA 500 million;
- Particular vigilance for credit related to sectors in degradation, especially vanilla industry.
- BNI is committed to strengthen its data infrastructure to further automate the credit risk reporting systems (using especially Business Intelligence System). Therefore, the bank will continue to strengthen its monitoring framework, supported by an adequate data infrastructure, to ensure that credit risk reports are relevant, reliable, complete, up-to-date and provided in useful time;
- Without being exhaustive, the main reports are focused on: (i) The largest exposures (Corporate or not), (ii) Portfolio exposure by sector/score. (iii) credit concentration risk (iv) Watch-List follow-up report (v) The evolution of anomalies on the credit portfolio (vi) The statement of provisions and the net cost of risk.

Portfolio stress testing

- An effective portfolio stress test program is carried out periodically by the bank as it plays an important role in facilitating the development of credit risk mitigation plans.
- This stress test program is documented, and the results analysed in order to identify the various major points, and thus it makes possible to decide proactively on the credit risk amortizing mechanisms to be put in place.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Strengthening of guarantee management

- Enhancement of the collateral reassessment, especially a meticulous follow-up of the goods market price evolution.
- Ensure that the mortgaged property is in the name of the client.
- Research and study of any local or international guarantee fund mechanisms to enhance the collateral coverage rate by segment, especially for the rescheduled and consolidated loans which are affected directly by the Covid-19 crisis.

Strengthening of recovery management and curing policy

The following approaches have been adopted to strengthen recovery strategy in this difficult context where debt collection is very complicated:

- To be more efficient in collection of the Non Performing Loans (NPL) portfolio, a recoverability score mechanism is now put in place, especially for Corporate and SME NPLs. This approach allows the recovery department to adopt a proactive strategy for each category;
- Enhancement of NPL report and dashboard to senior management;

Some other specific control and mitigation measures are outlined below:

(i) Collateral

BNI employs a range of policies and practices to mitigate credit risk. The most common 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.

(ii) 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 BNI 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.

(iii) 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 BNI 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 authorised 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 since longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Strengthening of recovery management and curing policy (Cont'd)

(iv) Collateral refreshment policy

As part of the monitoring of credit risks, the need for continuous monitoring of the value of the guarantees held by the bank is important in order to ensure that these are adequate to cover the outstanding amount. The value of the guarantees is monitored based on the following frequencies:

- When the loan is initially requested;
- When renewing the credit line, categorised as follows;
  - Real estate: every 3 years;
  - Vehicles and Equipment: every year;
- Before the establishment of a pledge to ascertain the existence of stocks and to verify whether the stocks are pledged or not;
- At the first release and/or additional release via promissory notes;
- On the renewal of promissory notes (generally quarterly)

Furthermore, at the request of the Risk Department, guarantee assessment and/or reassessment missions may be carried out without considering the above criteria. In addition, the general principles of collateral assessment and reassessment are mentioned in the collateral management policy of BNI.

The maximum exposure to credit risk before collateral for the banking segment is as follows:

	2021	2020
	MUR'000	MUR'000
Credit risk exposure to on-balance sheet assets:		
Cash and cash equivalents	7,376,395	6,823,706
Loans to banks	-	40,297
Loans and advances to customers	19,868,113	16,608,651
Investment in securities	6,205,851	4,706,353
Trade and other receivables	522,821	532,396
Export documentary remittances	1,632,865	1,628,367
Total on balance sheet exposure	35,606,045	30,339,770
Credit risk exposure to off-balance sheet assets:		
Acceptances, guarantees, letter of credit and other obligations on account		
of customers	4,635,521	4,797,155
Total on and off-balance sheet exposure	40,241,566	35,136,925

BNI also reviews its concentration risk to ensure that it is not significantly exposed to a specific category of customers. The table below analyses BNI's exposure:

	2021		2020	
	MUR'000	Exposure	MUR'000	Exposure
Corporate	17,731,660	50%	14,962,308	49%
Central Bank	3,021,796	8%	10,502,884	35%
Financial institution	9,520,009	27%	2,045,442	7%
Retail	5,332,580	15%	2,829,136	9%
	35,606,045		30,339,770	

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (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 bank derives 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 bank's daily operational management.

This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

(i) Probability of default

The probability of default (PD) is the likelihood that a particular borrower will default. IFRS 9 requires a multi-period forward-looking measure of PD that depends on macroeconomic factors. In other words, the PD model must produce a term structure of point in time PDs. Using historical data, a survival model was developed to produce a through-the-cycle PD term structure, followed by an econometric regression of the PDs for calibration to a point in time term structure over 5 years.

(ii) 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). 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 conversion factor - Contractual Cash Flow ('CCF') figure of 100%. Only the overdraft and the credit limit have a CCF of 50% as they are revolving facilities. Revolving facilities include arrangements which allow the facility to be withdrawn, repaid and redrawn again in any manner and any number of times until the agreement expires.

(iii) 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, BNI segmented its book into Retail, Corporate, Professional - Small and Medium Enterprises (SME), Institutional and Mid-Caps portfolios. We also split portfolios to take into account the existence of a guarantee which suggests a better probability of recovery.

Furthermore in 2021, BNI introduced a new segment "Civil Servants" which was previously under the retail segment. This is because the risk profile of "Civil Servants" is different from other clients included under the retail segment. The "Civil Servant" segment which represents almost 50% of the Individual borrower portfolio has a lower LGD than that in private sector as they still have a regular salary transfer. Otherwise, the LGD of these two sub segments has not been split in "WITH GUARANTEE" and "WITHOUT GUARANTEE" with regards of the low number of clients "WITH GUARANTEE" (2% of the total number of PARTICULIERS). It is normal because this segment rarely has collateral backed by their credit.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

Based on a historical measurement, BNI adopted a calculated LGD for civil servants, SME and retail segments. To appropriately reflect the economic value of the amounts recovered, especially with regard to the recovery time after the contract breach, the use of the present value notion has been integrated into the computation. A discounting factor has been applied to have the present value of the recovered amount. Therefore, the LGD rate is calculated as follows:

LGD (%) = 1- (Present value of recovered amount/Outstanding)

Note:

- Present value of recovered amount = (Adjusted outstanding – Write-off – Recovery fees + Write-off recuperation) * Discounting factor
- Discounting factor = 1/(1+discount rate)^n
- BNI used the Average Interest Rate as Discount rate, which represents portfolio yield rate by segment.
- n: number of years between the date of contract breach and the date the file is closed.

For others, corporate, institutional and mid-caps, data available is not relevant as the sample is reduced to less than 90 occurrences by year since 2017. For these three last segments, BNI adopted an LGD figure of 65%, which is more conservative than Basel III guidelines (45%).

The table below represents an analysis of BNI's assets as at 30 June 2021 and 2020:

	AAA	BB/BB	CC	Unrated	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021					
Credit rating					
Loans and advances to customers	87,059	11,206,527	2,701,593	5,872,934	19,868,113
Investment in securities	-	6,175,053	-	30,798	6,205,851
Cash and cash equivalent	-	3,228,539	-	4,147,856	7,376,395
Trade and other receivables	-	-	1,459	521,362	522,821
Export documentary remittances	-	-	-	1,632,865	1,632,865
	87,059	20,610,119	2,703,052	12,205,815	35,606,045
Off balance sheet exposure	2,083,098	1,713,142	59,293	779,988	4,635,521
Total on and off-balance sheet	2,170,157	22,323,261	2,762,345	12,985,803	40,241,566
2020					
Credit rating					
Loans and advances to customers	696,987	10,966,024	309,045	4,636,595	16,608,651
Loans and advances to banks	-	-	-	40,297	40,297
Investment in securities	-	4,705,913	-	440	4,706,353
Cash and cash equivalent	50,389	2,910,500	-	3,862,817	6,823,706
Trade Receivables	-	-	-	532,396	532,396
	747,376	18,582,437	309,045	9,072,545	28,711,403
Off balance sheet exposure	923,661	3,670,222	31,154	172,118	4,797,155
Total on and off-balance sheet	1,671,037	22,252,659	340,199	9,244,663	33,508,558

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

BNI's internal rating scale and mapping of external ratings are set out below:

Internal RATE ANADEFI	PD	PD range	S &P'S	Grade description	IFRS9 Staging
A+	0.001%	0.000%	AAA	Investment Grade	
A+	0.001%	0.000%	AA+&AA	Investment Grade	
A	0.010%	< 0,01%	AA	Investment Grade	
B+	0.020%	0,02 - 0,04%	AA-	Investment Grade	
B+	0.020%	0,02 - 0,04%	A+	Investment Grade	
B	0.060%	0,04 - 0,08%	A	Investment Grade	
B	0.060%	0,04 - 0,08%	A-	Investment Grade	
C+	0.160%	0,08 - 0,16%	BBB+	Investment Grade	
C	0.30%	0,16 - 0,32%	BBB	Investment Grade	
C-	0.60%	0,32 - 0,64%	BBB-	Investment Grade	Stage 1
D+	0.75%	0,64 - 0,85%	BB+	Non Investment Grade	
D	1.25%	0,85 - 1,28%	BB	Non Investment Grade	
D-	1.90%	1,28 - 2,56%	BB-	Non Investment Grade	
E+	5.00%	2,56 - 5,12%	B+&B	Non Investment Grade	Stage 2
E	12.00%	5,12 - 15%	B-	Non Investment Grade (Watchlist)	
E-	20.00%	> 15%	CCC&C	Non Investment Grade (Watchlist)	Stage 2 or 3
F	100.00%	100.00%	D	Default (without legal action)	
Z	100.00%	100.00%	D	Default (with legal action)	Stage 3

Expected credit loss measurement (ECL)

The IFRS 9 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.

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 BNI.
- 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 to be credit impaired. Refer to the next page for a description of how BNI 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'. The definition of default and credit-impaired asset has been provided on the next page.
- 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 the next page 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.
- 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 BNI does not have any purchased or originated credit-impaired financial assets on its books.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared credit risk characteristics, such that risk exposures within a group are homogeneous. BNI's groupings are mainly based on product type.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

Expected credit loss measurement (ECL) (Cont'd)

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition) 12-month expected credit losses	(Significant increase in credit risk since initial recognition) Lifetime expected credit losses	(Credit-impaired assets) Lifetime expected credit losses

The key judgements and assumptions adopted by BNI in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

BNI 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.

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

BNI 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Qualitative criteria (Cont'd)

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 BNI 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 BNI's 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 PD) of the obligation.
- EAD is based on the amounts BNI 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, BNI 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 BNI's 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 an estimate of loss from a transaction, given that a default occurs. It is computed as the loss amount which equals the write-offs, recovery costs, finance fees as a proportion of the exposure at the time of default.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Measuring ECL– Explanation of inputs, assumptions and estimation techniques (Cont'd)

LGD are determined based on the factors which impact the recoveries made post default, per customer type and by secured/unsecured status.

The lifetime PD is computed using the survival analysis method. Using historical data, a survival model was developed to produce a through-the-cycle PD term structure for each portfolio, followed by an econometric regression of the PDs for calibration to a point in time term structure. The lifetime PD is an aggregate of the years in the term structure. The 12-month PD is computed from the term structure as a geometric average of the yearly PDs.

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 incorporates forward-looking information in the PD model. The PD model projects default rates using economic forecasts and uses a mean reversion approach i.e., the model assumes that projected default rates tend toward the long run average default rate. Together, these allow for the calibration of historical through-the-cycle PDs to forward-looking point-in-time PDs.

BNI has performed an econometric regression on quarterly historical data to identify the key economic determinants of credit risk in Madagascar. The regression revealed 4 major economic determinants of default rates namely: inflation, trade deficit, the EUR/MGA FX rate, and oil prices. BNIs used the results of the regression together with economic forecasts of these determinants to arrive at projected default rates.

Economic forecasts are provided by BNI's Risk Team on a half-yearly basis and provide the best estimate view of the economy over the next 5 years. Base case forecasts were sourced from trusted third parties (IMF, World Bank). Expert judgement was applied to arrive at pessimistic case forecasts, reflecting the impact of COVID-19. No optimistic case forecasts were derived in the current economic context. Expert judgement also revealed that these forecasts impact every portfolio the same way and so the same forecasts were used for each.

Base case and pessimistic case point-in-time PDs were produced, and these were averaged to arrive at the final point-in-time PD term structure. Same logic was applied across portfolios and staging.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. BNI considers these forecasts to represent its best estimate of the possible outcomes.

Economic variables assumptions

The most significant period-end economic assumptions used in the ECL estimate as of 30 June 2021 are set out below. The scenarios "base case" and "pessimistic case" were used for all portfolios and the rates were the same across all of them. The weightings of each scenario were fixed at 50%. In other words, base case and pessimistic case point-in-time PDs were averaged to arrive at a final term structure. No optimistic case was considered.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Economic forecasts are provided in the table below. For ease of presenting, yearly forecasts are provided (whereas the model uses quarterly forecasts).

		2021	2022	2023	2024	2025
Inflation Rate	Base Case	4.9%	5.7%	6.1%	5.8%	5.7%
	Pessimistic Case	4.4%	4.5%	4.6%	4.5%	4.3%
Change in Trade Balance	Base Case	(296)	(287)	(292)	(304)	(321)
	Pessimistic Case	(247)	(221)	(225)	(234)	(247)
Change in EUR/MGA FX	Base Case	10.4%	5.0%	5.1%	4.9%	4.7%
	Pessimistic Case	11.0%	11.9%	13.7%	13.4%	13.2%
Change in Oil Price	Base Case	6.2%	(1.6%)	(1.1%)	(0.6%)	(0.3%)
	Pessimistic Case	15.3%	2.1%	0.3%	0.6%	0.9%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Sensitivity analysis

The most significant economic assumptions affecting ECL allowance are as follows:

1. Inflation. Given inflation's positive correlation with company pricing power as well as the fact that Madagascar government policy tries to increase wages with inflation. Inflation is also a signal of the economic cycle.
2. Change in trade balance. Given that trade deficits reflect higher levels of income, consumer confidence, and investment - increasing trade deficits reflect the increasing capacity of consumers to spend – and vice versa.
3. Change in oil price. Rising oil prices increases raw material costs for companies which may increase default rates.
4. Change in the real exchange rate (EUR). A real exchange rate depreciation can be found during recessions, originating from a sequence of low tradable goods shocks, which indicate future default rates.

Set out below is a sensitivity analysis on these 4 variables, where each was increased relatively by 25%.

A sensitivity analysis was done to compare the impact on the ECL assuming each of the forward-looking base case and pessimistic scenarios were weighted 100% instead of applying scenario probability weights across the three scenarios.

Economic Scenario	ECL (MUR)
Base Case	1,398,853,815
Pessimistic Case	1,410,575,652
Change	11,721,837

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 BNI's maximum exposure to credit risk on these assets:

Loans and advances to customers at amortised cost

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	16,408,872	-	-	16,408,872
Special Mention	-	1,932,844	-	1,932,844
Sub-Standard	-	-	2,924,133	2,924,133
Gross carrying amount	16,408,872	1,932,844	2,924,133	21,265,849
Loss Allowance	(141,754)	(42,807)	(1,213,175)	(1,397,736)
Carrying amount	16,267,118	1,890,037	1,710,958	19,868,113

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	15,269,448	-	-	15,269,448
Special Mention	-	1,098,128	-	1,098,128
Sub-Standard	-	-	1,365,909	1,365,909
Gross carrying amount	15,269,448	1,098,128	1,365,909	17,733,485
Loss Allowance	(168,208)	(40,607)	(916,019)	(1,124,834)
Carrying amount	15,101,240	1,057,521	449,890	16,608,651

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to banks at amortised cost

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	-	-	-	-
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	-	-	-	-
Loss Allowance	-	-	-	-
Carrying amount	-	-	-	-

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	40,305	-	-	40,305
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	40,305	-	-	40,305
Loss allowance	(8)	-	-	(8)
Carrying amount	40,297	-	-	40,297

Investment in securities at amortised cost

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	6,208,272	-	-	6,208,272
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	6,208,272	-	-	6,208,272
Loss allowance	(2,421)	-	-	(2,421)
Carrying amount	6,205,851	-	-	6,205,851

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	4,707,271	-	-	4,707,271
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	4,707,271	-	-	4,707,271
Loss Allowance	(918)	-	-	(918)
Carrying amount	4,706,353	-	-	4,706,353

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Cash and cash equivalents at amortised cost

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	7,377,683	-	-	7,377,683
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	7,377,683	-	-	7,377,683
Loss Allowance	(1,288)	-	-	(1,288)
Carrying amount	7,376,395	-	-	7,376,395

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	6,824,761	-	-	6,824,761
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	6,824,761	-	-	6,824,761
Loss allowance	(1,055)	-	-	(1,055)
Carrying amount	6,823,706	-	-	6,823,706

Trade and other receivables at amortised cost

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	521,362	-	-	521,362
Special Mention	-	-	-	-
Sub-Standard	-	-	2,408	2,408
Gross carrying amount	521,362	-	2,408	523,770
Loss Allowance	-	-	(949)	(949)
Carrying amount	521,362	-	1,459	522,821

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Performing	530,950	-	-	530,950
Special Mention	-	-	-	-
Sub-Standard	-	-	2,412	2,412
Gross carrying amount	530,950	-	2,412	533,362
Loss Allowance	-	-	(966)	(966)
Carrying amount	530,950	-	1,446	532,396

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Off-Balance Sheet items

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Financial guarantees				
Performing	4,605,884	-	-	4,605,884
Special Mention	-	36,412	-	36,412
Sub-Standard	-	-	10,703	10,703
Gross carrying amount	4,605,884	36,412	10,703	4,652,999
Loss allowance	(12,389)	(728)	(4,361)	(17,478)
Carrying amount	4,593,495	35,684	6,342	4,635,521

	30 June 2020			
	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Financial guarantees				
Performing	4,768,171	-	-	4,768,171
Special Mention	-	42,951	-	42,951
Sub-Standard	-	-	5,204	5,204
Gross carrying amount	4,768,171	42,951	5,204	4,816,326
Loss allowance	(12,569)	(2,932)	(3,670)	(19,171)
Carrying amount	4,755,602	40,019	1,534	4,797,155

Collateral and other credit enhancements

BNI employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. BNI has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. BNI prepares a valuation of the collateral obtained as part of the loan origination process. The principal collateral types for loans and advances are:

1. Mortgages over residential properties.
2. Charges over business assets such as premises, inventory and accounts receivable; and
3. 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 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. BNI'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 BNI since the prior period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

BNI 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:

30 June 2021

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	650,362	(295,146)	355,216	27,236
Professional - SME	587,594	(255,118)	332,476	566,464
Mid-Cap	893,858	(352,812)	541,046	3,288,292
Institutional	7,322	(2,890)	4,432	3,379
Corporate	742,004	(292,842)	449,162	1,469,927
Civil Servant	42,993	(14,367)	28,626	-
Total	2,924,133	(1,213,175)	1,710,958	5,355,298
Financial guarantees	10,703	(4,361)	6,342	269,093
Total credit-impaired assets	2,934,836	(1,217,536)	1,717,300	5,624,391

30 June 2020

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	328,007	(200,984)	127,023	6,203
Professional - SME	317,517	(246,655)	70,862	23,116
Mid-Cap	415,388	(270,171)	145,217	186,762
Institutional	5,128	(3,333)	1,795	-
Corporate	299,869	(194,876)	104,993	240,395
Total	1,365,909	(916,019)	449,890	456,476
Financial guarantees	5,204	(3,670)	1,534	3,152
Total credit-impaired assets	1,371,113	(919,689)	451,424	459,628

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loss allowance (Cont'd)

The following tables explain the changes in the loss allowance during the year due to these factors.

Loans and advances to customers – Individual

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Loss allowance as at 1 July 2019	55,072	1,058	143,405	199,535
New financial assets originated/purchased/(derecognised)	66,256	3,731	22,397	92,384
Changes to PDs/LGDs/EADs	(22,784)	1,565	35,182	13,963
Loss allowance as at 30 June 2020	98,544	6,354	200,984	305,882
New financial assets originated/purchased/(derecognised)	44,052	6,102	102,778	152,932
Transfer to Civil Servant Segment	(10,344)	(666)	(21,095)	(32,105)
Changes to PDs/LGDs/EADs	(64,027)	(5,414)	(5,156)	(74,597)
Transfers:				
Transfer from RO to Stage 3	-	-	18	18
Transfer from Stage 1 to Stage 2	-	1,623	-	1,623
Transfer from Stage 1 to Stage 3	-	-	13,204	13,204
Transfer from Stage 2 to Stage 1	205	-	-	205
Transfer from Stage 2 to Stage 3	-	-	3,519	3,519
Transfer from Stage 3 to Stage 1	60	-	-	60
Transfer from Stage 3 to Stage 2	-	454	-	454
Foreign exchange movement	208	26	894	1,128
Loss allowance as at 30 June 2021	68,698	8,479	295,146	372,323

The following table further explains changes in the gross carrying amount of the loans and advances - individual portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Gross carrying amount as at 01 July 2019	1,589,448	60,150	220,624	1,870,222
New financial assets originated/purchased/(derecognised)	826,767	38,664	107,383	972,814
Gross carrying amount as at 30 June 2020	2,416,215	98,814	328,007	2,843,036
Transfer to Civil Servant	734,489	69,913	345,670	1,150,072
New financial assets originated/purchased/(derecognised)	(1,218,048)	(63,882)	(52,618)	(1,334,548)
Transfers:				
Transfer from Stage 1 to Stage 2	(21,747)	21,747	-	-
Transfer from Stage 1 to Stage 3	(28,266)	-	28,266	-
Transfer from Stage 2 to Stage 1	6,271	(6,271)	-	-
Transfer from Stage 2 to Stage 3	-	(7,542)	7,542	-
Transfer from Stage 3 to Stage 1	1,889	-	(1,889)	-
Transfer from Stage 3 to Stage 2	-	5,548	(5,548)	-
Foreign exchange movement	6,866	281	932	8,079
Gross carrying amount as at 30 June 2021	1,897,669	118,608	650,362	2,666,639

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Civil Servant

Loss allowance	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Loss allowance as at 1 July 2020	-	-	-	-
Transfer from Individual segment	10,344	666	21,095	32,105
New financial assets originated/purchased/ (derecognised)	40,391	1,347	10,834	52,572
Changes to PDs/LGDs/EADs	(36,908)	1,052	(17,619)	(53,475)
Transfers:				
Transfer from Stage 1 to Stage 2	(584)	235	-	(349)
Transfer from Stage 1 to Stage 3	(96)	-	1,286	1,190
Transfer from Stage 2 to Stage 1	5	(586)	-	(581)
Transfer from Stage 2 to Stage 3	-	(86)	573	487
Transfer from Stage 3 to Stage 1	6	-	(1,407)	(1,401)
Transfer from Stage 3 to Stage 2	-	28	(439)	(411)
Foreign exchange movement	40	8	44	92
Loss allowance as at 30 June 2021	13,198	2,664	14,367	30,229

The following table further explains changes in the gross carrying amount of the loans and advances – civil servant portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Gross carrying amount as at 01 July 2020	-	-	-	-
New financial assets originated/purchased/(derecognised)	687,824	(10,579)	(3,395)	673,850
Transfers:				
Transfer from Individual	1,259,901	50,400	24,247	1,334,548
Transfer from Stage 1 to Stage 2	(12,154)	12,154	-	-
Transfer from Stage 1 to Stage 3	(3,855)	-	3,855	-
Transfer from Stage 2 to Stage 1	692	(692)	-	-
Transfer from Stage 2 to Stage 3	-	(1,718)	1,718	-
Transfer from Stage 3 to Stage 1	950	-	(950)	-
Transfer from Stage 3 to Stage 2	-	1,228	(1,228)	-
Foreign exchange movement	5,842	233	18,746	24,821
Gross carrying amount as at 30 June 2021	1,939,200	51,026	42,993	2,033,219

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Professional SME

Loss allowance	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Loss allowance as at 1 July 2019	7,624	233	161,052	168,909
New financial assets originated/purchased/(derecognised)	2,585	3,281	1,824	7,690
Changes to PDs/LGDs/EADs	(7,301)	985	83,779	77,463
Loss allowance as at 30 June 2020	2,908	4,499	246,655	254,062
New financial assets originated/purchased/(derecognised)	1,956	1,212	19,523	22,691
Changes to PDs/LGDs/EADs	(2,187)	(4,410)	(13,649)	(20,246)
Transfers:				
Transfer from Stage 1 to Stage 2	(100)	125	-	25
Transfer from Stage 1 to Stage 3	(109)	-	2,291	2,182
Transfer from Stage 2 to Stage 1	2	(20)	-	(18)
Transfer from Stage 2 to Stage 3	-	(290)	3,129	2,839
Transfer from Stage 3 to Stage 1	3	-	(485)	(482)
Transfer from Stage 3 to Stage 2	-	300	(3,119)	(2,819)
Foreign exchange movement	8	4	773	785
Loss allowance as at 30 June 2021	2,481	1,420	255,118	259,019

The following table further explains changes in the gross carrying amount of the loans and advances – professional SME portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Gross carrying amount as at 01 July 2020	13,943	(77,150)	474,913	411,706
New financial assets originated/purchased/(derecognised)	4,923	297,820	(157,398)	145,345
Gross carrying amount as at 30 June 2020	18,866	220,670	317,515	557,051
New financial assets originated/purchased/(derecognised)	26,073	22,724	248,643	297,440
Transfers:				
Transfer from Stage 1 to Stage 2	(12,054)	12,054	-	-
Transfer from Stage 1 to Stage 3	(14,817)	-	14,817	-
Transfer from Stage 2 to Stage 1	311	(311)	-	-
Transfer from Stage 2 to Stage 3	-	(7,374)	7,374	-
Transfer from Stage 3 to Stage 1	486	-	(486)	-
Transfer from Stage 3 to Stage 2	-	1,751	(1,751)	-
Foreign exchange movement	88	1,029	1,481	2,598
Gross carrying amount as at 30 June 2021	18,953	250,543	587,593	857,089

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Midcap

Loss allowance	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Loss allowance as at 1 July 2019	29,412	1,144	214,300	244,856
New financial assets originated/purchased/(derecognised)	41,909	21,047	24,528	87,484
Changes to PDs/LGDs/EADs	(21,446)	3,839	31,343	13,736
Loss allowance as at 30 June 2020	49,875	26,030	270,171	346,076
New financial assets originated/purchased/(derecognised)	26,744	18,054	83,394	128,192
Changes to PDs/LGDs/EADs	(37,996)	(22,897)	(15,865)	(76.758)
Transfers:				
Transfer from Stage 1 to Stage 2	(669)	2,834	-	2,165
Transfer from Stage 1 to Stage 3	(158)	-	14,103	13,945
Transfer from Stage 2 to Stage 1	546	(1,507)	-	(1,021)
Transfer from Stage 2 to Stage 3	-	(822)	4,019	3,097
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	339	(4,079)	(3,740)
Foreign exchange movement	117	66	1,069	1,252
Loss allowance as at 30 June 2021	38,459	22,097	352,812	413,208

The following table further explains changes in the gross carrying amount of the loans and advances – Midcap portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Gross carrying amount as at 01 July 2019	1,777,642	89,596	329,692	2,196,930
New financial assets originated/purchased/(derecognised)	946,387	137,525	85,696	1,169,608
Gross carrying amount as at 30 June 2020	2,724,029	227,121	415,388	3,366,538
New financial assets originated/purchased/(derecognised)	177,078	160,186	437,947	775,211
Transfers:				
Transfer from Stage 1 to Stage 2	(77,526)	77,526	-	-
Transfer from Stage 1 to Stage 3	(35,800)	-	35,800	-
Transfer from Stage 2 to Stage 1	33,696	(33,696)	-	-
Transfer from Stage 2 to Stage 3	-	(10,201)	10,201	-
Transfer from Stage 3 to Stage 1	13	-	(13)	-
Transfer from Stage 3 to Stage 2	-	7,018	(7,018)	-
Foreign exchange movement	10,183	850	1,553	12,586
Gross carrying amount as at 30 June 2021	2,831,673	428,804	893,858	4,154,335

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Institutional

Loss allowance	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Loss allowance as at 1 July 2019	2	-	793	795
New financial assets originated/purchased/(derecognised)	2	-	52	54
Changes to PDs/LGDs/EADs	2	1	2,489	2,492
Loss allowance as at 30 June 2020	6	1	3,334	3,341
New financial assets originated/purchased/(derecognised)	38	-	257	295
Changes to PDs/LGDs/EADs	1	(1)	(95)	(95)
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	33	33
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	87	87
Transfer from Stage 3 to Stage 1	1	-	(727)	(726)
Transfer from Stage 3 to Stage 2	-	-	(7)	(7)
Foreign exchange movement	-	-	9	9
Loss allowance as at 30 June 2021	46	-	2,890	2,936

The following table further explains changes in the gross carrying amount of the loans and advances – Institutional portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Gross carrying amount as at 01 July 2019	219,824	608	2,092	222,524
New financial assets originated/purchased/(derecognised)	319,053	882	3,037	322,972
Gross carrying amount as at 30 June 2020	538,877	1,490	5,129	545,496
New financial assets originated/purchased/(derecognised)	(449,592)	454	3,505	(445,633)
Transfers:				
Transfer from Stage 1 to Stage 2	(2)	2	-	-
Transfer from Stage 1 to Stage 3	(84)	-	84	-
Transfer from Stage 2 to Stage 1	242	(242)	-	-
Transfer from Stage 2 to Stage 3	-	(221)	221	-
Transfer from Stage 3 to Stage 1	1,913	-	(1,913)	-
Transfer from Stage 3 to Stage 2	-	9	(9)	-
Foreign exchange movement	-	-	306	306
Gross carrying amount as 30 June 2021	91,354	1,492	7,323	100,169

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Corporate

Loss allowance	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Loss allowance as at 1 July 2019	9,834	1,757	149,001	160,592
New financial assets originated/purchased/(derecognised)	12,982	1,797	1,140	15,919
Changes to PDs/LGDs/EADs	(5,933)	160	44,735	38,962
Loss allowance as at 30 June 2020	16,883	3,714	194,876	215,473
New financial assets originated/purchased/ (derecognised)	10,328	7,959	80,609	98,895
Changes to PDs/LGDs/EADs	(8,519)	(1,916)	5,171	(5,264)
Transfers:				
Transfer from Stage 1 to Stage 2	(6)	89	-	83
Transfer from Stage 1 to Stage 3	-	-	540	540
Transfer from Stage 2 to Stage 1	129	(218)	-	(89)
Transfer from Stage 2 to Stage 3	-	(1,346)	10,770	9,424
Transfer from Stage 3 to Stage 1	-	-	(9)	(9)
Transfer from Stage 3 to Stage 2	-	-	(2)	(2)
Foreign exchange movement	57	25	887	969
Loss allowance as at 30 June 2021	18,872	8,307	292,842	320,021

The following table further explains changes in the gross carrying amount of the loans and advances – Corporate portfolio to help explain their significance to the changes in the loss allowance for the same portfolio:

Gross carrying amount	Stage 1 12-month ECL MUR'000	Stage 2 Lifetime ECL MUR'000	Stage 3 Lifetime ECL MUR'000	Total MUR'000
Gross carrying amount as at 01 July 2019	8,303,914	453,854	1,220	8,758,988
New financial assets originated/purchased/(derecognised)	1,267,549	96,178	298,649	1,662,376
Gross carrying amount as at 30 June 2020	9,571,463	550,032	299,869	10,421,364
New financial assets originated/purchased/(derecognised)	(25,296)	611,214	412,433	998,351
Transfer from Stage 1 to Stage 2	(11,348)	11,348	-	-
Transfer from Stage 1 to Stage 3	(1,373)	-	1,373	-
Transfer from Stage 2 to Stage 1	64,719	(64,719)	-	-
Transfer from Stage 2 to Stage 3	-	(27,339)	27,339	-
Transfer from Stage 3 to Stage 1	4	-	(4)	-
Transfer from Stage 3 to Stage 2	-	4	(4)	-
Foreign exchange movement	31,855	1,831	997	34,683
Gross carrying amount as at 30 June 2021	9,630,024	1,082,371	742,003	11,454,398

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Concentrations of credit risk

BNI monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below:

	2021 MUR'000	2020 MUR'000
(i) Concentration by sector		
Government	9,333,433	9,333,121
Bank	4,573,839	4,573,686
Retail - Mortgages	2,542,866	2,542,781
Retail - Unsecured	1,775,970	1,775,911
Corporate – Real estate	1,735,372	1,735,314
Corporate – Transport	663,357	663,335
Corporate – Others	17,986,303	17,985,701
Total	38,611,140	38,609,848
(ii) Concentration by location		
Africa	37,511,128	37,509,873
Europe	894,914	894,884
North America	8	8
Asia	205,090	205,083
Total	38,611,140	38,609,848

(c) Liquidity risk

Banking specific segment

Liquidity risk is the risk that BNI 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. BNI`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 BNI 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Liquidity risk management process.

BNI'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 fulfil 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Banking specific segment (Cont'd)

BNI Madagascar SA Liquidity analysis

The table below analyses the BNI'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
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021							
Assets							
Trade and other receivables	522,821	-	-	-	-	-	522,821
Loans and advances to customers	8,829,707	2,593,391	1,638,802	5,341,617	1,869,414	-	20,272,931
Loans and advances to banks	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	15,213	15,213
Investment securities	436,874	315,806	1,845,078	4,549,343	-	-	7,147,101
Export documentary remittances	1,632,865	-	-	-	-	-	1,632,865
Cash and cash equivalents	7,376,395	-	-	-	-	-	7,376,395
	18,798,662	2,909,197	3,483,880	9,890,960	1,869,414	15,213	36,967,326
2021							
Liabilities							
Deposits from customers	26,829,711	1,223,725	1,111,765	9,867	-	-	29,175,068
Borrowings	2,191,191	459,696	-	-	-	-	2,650,887
Trade and other payables	774,480	-	-	-	-	-	774,480
Export documentary remittances	1,633,936	-	-	-	-	-	1,633,936
Lease liabilities	6,619	12,103	15,975	52,308	4,647	-	91,652
Provision for other liabilities and charges	2,980	-	-	-	-	-	2,980
	31,438,917	1,695,524	1,127,740	62,175	4,647	-	34,329,003
On balance sheet liquidity gap	(12,640,255)	1,213,673	2,356,140	9,828,785	1,864,767	15,213	2,638,323
Off balance sheet commitment	3,250,802	-	1,158,175	244,022	-	-	4,652,999
Net liquidity gap	(9,389,453)	1,213,673	3,514,315	10,072,807	1,864,767	15,213	7,291,322

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Banking specific segment (Cont'd)

	< 3 months MUR'000	3-6 months MUR'000	6-12 months MUR'000	1-3 years MUR'000	> 3 years MUR'000	No fixed maturity MUR'000	Total MUR'000
2020							
Assets							
Cash and cash equivalents	6,823,706	-	-	-	-	-	6,823,706
Investment securities	1,200,404	403,665	252,936	3,572,442	5,575	-	5,435,022
Loans and advances to customers	8,493,686	486,948	1,043,418	4,099,340	4,360,232	-	18,483,624
Loans and advances to banks	-	42,925	-	-	-	-	42,925
Other financial assets	-	-	-	-	-	15,943	15,943
Trade and other receivables	532,396	-	-	-	-	-	532,396
Export documentary remittances	1,628,367	-	-	-	-	-	1,628,367
	18,678,559	933,538	1,296,354	7,671,782	4,365,807	15,943	32,961,983
Liabilities							
Deposits from customers	23,408,001	598,781	685,790	9,769	98	-	24,702,439
Borrowings	3,147,878	-	452,384	227,831	-	-	3,828,093
Trade and other payables	415,997	-	-	-	-	-	415,997
Export documentary remittances	1,627,063	-	-	-	-	-	1,627,063
Lease liabilities	11,857	11,555	21,831	77,664	11,130	-	134,037
	28,610,796	610,336	1,160,005	315,264	11,228	-	30,707,629
On balance sheet liquidity gap	(9,932,237)	323,292	136,349	7,356,518	4,354,579	15,943	2,254,354
Off balance sheet commitment	2,780,274	732,495	986,256	297,383	748	-	4,797,156
Net liquidity gap	(7,151,963)	1,055,697	1,122,605	7,653,901	4,355,327	15,943	7,051,510

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Non-banking specific segment

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 of the Group; excluding BNI, and the Company into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2021				
Borrowings	**2,656,135**	**2,388,596**	**16,570,659**	**21,615,390**
Trade and other payables	**3,416,891**	**903,036**	**13,830**	**4,333,757**
Provision and other liabilities	**35,693**	**-**	**62,421**	**98,114**
	6,108,719	**3,291,632**	**16,646,910**	**26,047,261**

THE GROUP	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2020				
Borrowings	3,649,675	4,701,586	12,988,919	21,340,180
Trade and other payables	2,909,517	1,158,289	207,744	4,275,550
Provision and other liabilities	3,553	-	60,298	63,851
	6,562,745	5,859,875	13,256,961	25,679,581

THE COMPANY	**Less than 3 months MUR '000**	**Between 3 months and 1 year MUR '000**	**Greater than 1 year MUR '000**	**Total MUR '000**
At 30 June 2021	**254,196**	**108,642**	**3,850,955**	**4,213,793**
Borrowings	**43,067**	**-**	**-**	**43,067**
Trade and other payables	**297,263**	**108,642**	**3,850,955**	**4,256,860**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

Non- banking specific segment (Cont'd)

THE COMPANY	Less than 3 months	Between 3 months and 1 year	Greater than 1 year	Total
	MUR'000	MUR'000	MUR'000	MUR'000
At 30 June 2020				
Borrowings	332,714	276,424	3,229,964	3,839,102
Trade and other payables	19,898	-	-	19,898
	352,612	276,424	3,229,964	3,859,000

(d) Market Risk

Market Risk arises from activities undertaken in or impacted by financial markets. This includes interest rate risk, currency risk, and price risk.

(i) Interest rate risk

Banking specific segment

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. BNI takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may induce losses in the event that unexpected movements arise.

The 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 BNI'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.

BNI 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 BNI.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

Banking specific segment (Cont'd)

The table below summarises BNI's non-trading book fair value exposure to interest rate risks. It includes 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
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2021							
Assets							
Cash and cash equivalents	3,349,015	-	-	-	-	4,027,380	7,376,395
Investment securities	425,275	304,142	1,725,855	3,750,579	-	-	6,205,851
Loans and advances to customers	8,804,036	2,567,980	1,569,625	5,094,451	1,832,021	-	19,868,113
Loans and advances to banks	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	15,213	15,213
Trade and other receivables	-	-	-	-	-	522,821	522,821
Export documentary remittances	-	-	-	-	-	1,632,865	1,632,865
	12,578,326	2,872,122	3,295,480	8,845,030	1,832,021	6,198,279	35,621,258
Liabilities							
Deposits from customers	(27,252,749)	(767,312)	(1,059,149)	(8,947)	(44)	-	(29,088,201)
Borrowings	(2,180,000)	(457,800)	-	-	-	-	(2,637,800)
Trade and other payables	-	-	-	-	-	(774,480)	(774,480)
Export documentary remittances	-	-	-	-	-	(1,633,936)	(1,633,936)
Provision for other liabilities and charges	-	-	-	-	-	(2,980)	(2,980)
Other payable and deferred revenue	-	-	-	-	-	(174,600)	(174,600)
	(29,432,749)	(1,225,112)	(1,059,149)	(8,947)	(44)	(2,585,996)	(34,311,997)
Off-Balance Sheet items attracting interest rate sensitivity	3,250,802	-	1,158,175	244,022	-	-	4,652,999
Interest rate sensitivity gap	(13,603,622)	1,647,010	3,394,506	9,082,527	1,852,763	3,612,283	5,985,467

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(iv) Interest rate risk (Cont'd)

Banking specific segment (Cont'd)

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-Interest Bearing	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2020							
Assets							
Cash and cash equivalents	2,961,444	-	-	-	-	3,862,261	6,823,705
Investment securities	1,175,492	382,749	238,194	2,905,518	5,318	-	4,707,271
Loans and advances to customers	5,275,772	482,440	951,333	3,455,063	3,286,003	4,282,270	17,733,481
Loans and advances to banks	-	40,305	-	-	-	-	40,305
Other investments	-	-	-	-	-	15,943	15,943
Trade and other receivables	-	-	-	-	-	532,396	532,396
Export documentary remittances	-	-	-	-	-	1,628,367	1,628,367
	9,412,708	905,494	1,189,527	6,360,781	3,291,321	10,321,837	31,481,468
Liabilities							
Deposits from customers	(23,851,718)	(346,427)	(428,879)	(8,182)	(71)	-	(24,635,277)
Borrowings	(1,573,500)	-	(451,070)	(227,011)	-	-	(2,251,581)
Trade and other payables	-	-	-	-	-	(415,997)	(415,997)
Export documentary remittances	-	-	-	-	-	(1,627,063)	(1,627,063)
Provision for other liabilities and charges	-	-	-	-	-	(54,509)	(54,509)
Other payables and deferred revenue	-	-	-	-	-	(148,044)	(148,044)
	(24,425,218)	(346,427)	(879,949)	(235,193)	(71)	(2,245,613)	(29,132,471)
Off-Balance Sheet items attracting interest rate sensitivity	2,792,607	735,744	990,630	278,374	751	-	4,798,106
Interest rate sensitivity gap	(13,219,903)	1,294,811	1,300,208	6,403,762	3,292,001	8,076,224	7,147,103

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

Banking specific segment (Cont'd)

BNI is exposed to interest rate risk as it borrows funds at floating interest rates. BNI's policy is to minimise exposure to interest rate movements without exposing itself to speculation or undue risk. BNI manages its exposure to fluctuations in interest rates with a view to containing its net interest costs or securing its interest revenues through the purchase of certain hedging instruments such as interest rate caps, floors, swaps or forward rate agreements.

The current policy is to have a good mix of fixed and variable interest rate.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both financial assets and liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was for the whole year. A 1% change is used and represents management's assessment of the likely change in interest rate.

If interest rates had changed by 1% and all other variables were held constant, the impact on profit or loss would be as follows:

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
1% increase in interest rate	23,500	(9,291)
1% decrease in interest rate	(23,500)	9,291

BNI has a net asset exposure of MUR 2.35Bn as at 30 June 2021 compared to a net liability exposure of MUR 929M as at 30 June 2020

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

Non-banking specific segment

The Group is exposed to interest rate cash flow 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 changed by 1%; with all other variables held constant, the effect on profit or loss would be as follows for the Group, excluding BNI.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'M	MUR'M	MUR'M	MUR'M
1% increase in interest rate	(91)	(103)	(5)	(6)
1% decrease in interest rate	91	103	5	6

(ii) Currency risk

Banking specific segment

BNI 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%.

BNI is primarily exposed to USD and EUR.

The Banking segment financial assets and financial liabilities by foreign currency is detailed below:

	USD	EURO	MGA	Total
	MUR'000	MUR'000	MUR'000	MUR'000
At June 30, 2021				
Assets				
Banking specific segment				
Investments in other financial assets	-	597	14,616	15,213
Investment securities	-	-	6,205,851	6,205,851
Loans and advances to customers	495,403	534,478	18,838,232	19,868,113
Trade and other receivables	-	-	522,821	522,821
Export documentary remittances	-	-	1,632,865	1,632,865
Cash and cash equivalents	1,589,048	1,717,927	4,069,419	7,376,394
Total Assets	2,084,451	2,253,002	31,283,804	35,621,257

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

	USD	EURO	MGA	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Liabilities				
Banking specific segment				
Trade and other payables	-	-	774,480	774,480
Deposits from customers	1,651,019	2,133,139	25,304,043	29,088,201
Borrowings	-	-	2,637,800	2,637,800
Export documentary remittances	-	-	1,633,936	1,633,936
Provision for other liabilities and charges	-	-	2,980	2,980
Other payables and deferred revenue	-	-	174,600	174,600
Lease Liability	-	-	91,651	91,651
Total Liabilities	1,651,019	2,133,139	30,619,490	34,403,648
Net on balance sheet position	433,432	119,863	663,526	1,216,821

	USD	EURO	MGA	Total
	MUR'000	MUR'000	MUR'000	MUR'000
At June 30, 2020				
Assets				
Banking specific segment				
Investments in other financial assets	-	-	15,943	15,943
Investment securities	-	-	4,706,353	4,706,353
Loans and advances	350,036	602,471	15,656,141	16,608,648
Loans and advances to banks	-	40,297	-	40,297
Trade and other receivables	12,952	-	519,444	532,396
Export documentary remittances	1,187,927	150,446	289,994	1,628,367
Cash and cash equivalents	1,584,909	1,309,548	3,929,248	6,823,706
Total Assets	3,135,824	2,102,762	25,117,123	30,355,709

	USD	EURO	MGA	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Liabilities				
Banking specific segment				
Trade and other payables	1,953	53,105	360,940	415,998
Deposits from customers	1,963,051	1,541,526	21,104,148	24,608,725
Borrowings	-	227,011	2,024,570	2,251,581
Export documentary remittances	1,187,927	289,998	149,138	1,627,063
Provision for other liabilities and charges	-	-	54,509	54,509
Other payables and deferred revenue	-	-	148,044	148,044
Lease Liability	-	-	61,601	61,601
Total Liabilities	3,152,931	2,111,640	23,926,950	29,167,521
Net on balance sheet position	(17,107)	(8,878)	1,214,173	1,188,188

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

The following table details the banking segment's sensitivity to a 5% change in the rupee against the relevant foreign currencies:

	2021		2020	
	Profit or loss	Equity	Profit or loss	Equity
	MUR'M	MUR'M	MUR'M	MUR'M
MUR/USD exchange rate – increase 5%	(21)	(21)	0.9	0.9
MUR/USD exchange rate – decrease 5%	21	21	(0.9)	(0.9)
MUR/EUR exchange rate – increase 5%	(5)	(5)	0.4	0.4
MUR/EUR exchange rate – decrease 5%	5	5	(0.4)	(0.4)

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 USD, EUR, GBP and ZAR. Foreign exchange risk arises from future commercial transactions.

Forward contracts are used to mitigate foreign currency risks.

The following table details the Group's exposure to foreign currencies as at 30 June 2021 and 30 June 2020:

	THE GROUP	
	2021	2020
	Profit or loss	Profit or loss
	MUR'M	MUR'M
USD	(541)	(1,115)
EUR	(2,871)	(4,410)
GBP	(298)	(277)
ZAR	532	355
Others	(284)	(1,233)

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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(d) Market Risk (Cont'd)

The following table details the Group's; excluding BNI sensitivity to a 5% change in MUR against the relevant currencies.

	THE GROUP	
	2021	2020
	Profit or loss	Profit or loss
	MUR'M	MUR'M
MUR/USD exchange rate – increase 5%	27	56
MUR/USD exchange rate – decrease 5%	(27)	(56)
MUR/EUR exchange rate – increase 5%	144	220
MUR/EUR exchange rate – decrease 5%	(144)	(220)
MUR/GBP exchange rate – increase 5%	15	13
MUR/GBP exchange rate – decrease 5%	(15)	(13)
MUR/ZAR exchange rate – increase 5%	(27)	(17)
MUR/ZAR exchange rate – decrease 5%	27	17

The Company does not have significant exposure to foreign currencies. Therefore, no sensitivity analysis has been performed.

(iii) 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 financial assets and FVOCI.

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 a change 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 changed by 5%, with other factors remaining constant.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'M	MUR'M	MUR'M	MUR'M
Financial asset at fair value through OCI	23.0	18.6	1.3	1.4

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Fair value estimation (Cont'd)

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.

Categories of Financial Instruments

		THE GROUP	
	Notes	2021	2020
		MUR'000	MUR'000
Financial assets			
Amortised cost			
Investment in securities	24	6,208,017	4,712,534
Loan to banks	23	-	40,297
Loans and advances to customers	22	19,868,113	16,608,651
Non-current receivables	17	49,259	45,663
Trade and other receivables*	19	4,474,020	4,577,441
Cash and cash equivalent	20	9,931,175	8,239,849
		40,530,584	34,224,435

		THE GROUP	
	Notes	2021	2020
		MUR'000	MUR'000
FVOCI			
Investments in other financial assets	15	459,852	372,497
		459,852	372,497
FVPL			
Derivative financial instruments	42	74,380	107,479
		74,380	107,479
Financial liabilities			
Amortised costs			
Borrowings	29	19,349,632	20,575,466
Lease liabilities	9(b)	3,265,163	3,559,333
Trade and other payables**	34	6,568,845	5,827,022
		29,183,640	29,961,821

For fair value hierarchy please refer to Note 42.

*Trade and other receivables exclude advance payments of **MUR 556M** (2020: MUR 366M), prepayments amounting to **MUR 247M** (2020: MUR 152M), taxes and grants of **MUR 319M** (2020: MUR 335M) and deposits of **MUR 16M** (2020: MUR 48M).

Trade and other payables exclude client advances amounting to **MUR 330M (2020: MUR 316M) and deposits from customers **MUR 159M** (2020: MUR 221M) .

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

45. FINANCIAL RISK MANAGEMENT (Cont'd)

Categories of Financial Instruments (Cont'd)

		THE COMPANY	
	Notes	2021	2020
		MUR'000	MUR'000
Financial assets			
Amortised cost			
Trade and other receivables*	19	318,665	15,132
Cash and cash equivalent	20	6,797	25,649
		325,462	40,951
FVOCI			
Investments in other financial assets	15	25,011	28,928
Investments in subsidiary companies	12	18,243,634	12,928,917
Investments in Joint Ventures	13	89,908	35,371
Investments in associates	14	227,040	75,028
		18,585,593	13,068,244

		2021	2020
		MUR'000	MUR'000
Financial liabilities			
Amortised costs			
Borrowings	29	3,203,353	2,968,442
Trade and other payables	34	43,067	19,898
		3,246,420	2,988,340

*Trade and other receivables exclude prepayments of **MUR 118,000** (2020: NIL).

(e) 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.

Banking segment

The minimum required capital adequacy ratio in Madagascar is 8%. As at 30 June 2021 and 2020, the capital adequacy ratio of BNI was as follows:

		2021	2020
Capital base	MUR' M	2,282	1,970
Risk weighted	MUR' M	22,701	18,800
Capital adequacy ratio	%	10.05	10.48

45. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Capital risk management

Non-banking specific segment

The gearing ratio, excluding banking deposits, lease liabilities and cash and cash equivalents, as at June 30, 2021 is as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000
Total debt	16,711,832	18,494,395	3,203,353	2,968,441
Less Cash and cash equivalents	(2,554,780)	(1,416,143)	(6,798)	(25,649)
	14,157,052	17,078,252	3,196,555	2,942,792
Total equity	22,185,136	18,613,758	15,664,672	10,120,412
Net debt + equity	36,342,188	35,692,010	18,861,228	13,063,204
Gearing	39.0%	47.8%	16.9%	22.5%

46. PRIOR YEAR RESTATEMENT

During the year ended 30 June 2021, the Company re-stated the corresponding figures due to the following:

1. Prior year re-statements as detailed in note 46(a); and
2. Discontinued operations as detailed in note 47.

The following tables summarise the impact of the adjustments:

	As previously stated	Prior year restatements	Note	Discontinued operations	As restated
	MUR'000	MUR'000		MUR'000	MUR'000
2019					
Consolidated statement of financial position (extract)					
Property, plant and equipment	24,678,838	(78,096)	A	-	24,600,742
Inventories	3,842,766	(43,525)	A	-	3,799,241
Retained earnings	(5,115,438)	(46,442)	A	-	(5,161,880)
Non-controlling interests	(9,195,956)	(46,255)	A	-	(9,242,211)
Borrowings and lease liabilities	(17,446,145)	147,951	A, B	-	(17,298,194)
Deferred income tax liabilities	(1,208,158)	(15,803)	A	-	(1,223,961)
Trade and other payables	(6,585,702)	82,170	B	-	(6,502,532)
Consolidated statement of changes in equity (extract)					
Retained earnings	(5,115,438)	(46,442)	A, B	-	(5,161,880)
Non-controlling interests	(9,195,956)	(46,255)	A, B	-	(9,242,211)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021 (CONT'D)

46. PRIOR YEAR RESTATEMENT (Cont'd)

	As previously stated	Prior year restatements	Note	Discontinued operations	As restated
	MUR'000	MUR'000		MUR'000	MUR'000
2020					
Consolidated statement of financial position (extract)					
Property, plant and equipment	24,920,225	92,962	A	-	25,013,187
Right of use assets	3,248,457	(210,362)	A	-	3,038,095
Retained earnings	(2,540,467)	(38,719)	A	-	(2,579,186)
Non-controlling interests	(7,292,242)	(38,561)	A	-	(7,330,803)
Borrowings and lease liabilities	(20,575,466)	(170,510)	A, B	-	(20,745,976)
Lease liabilities	(3,769,816)	210,483	A	-	(3,559,333)
Deferred income tax liabilities	(1,471,979)	(15,803)	A	-	(1,487,782)
Trade and other payables	(6,534,921)	170,510	B	-	(6,364,411)
Consolidated statement of profit or loss (extract)					
Revenue	(21,923,306)	-		967,686	(20,955,620)
Earnings before interest, tax, depreciation, amortisation, impairments, reorganisation costs and fair value gain on investment property	(3,131,548)	30,739	A	48,115	(3,052,694)
Depreciation and amortisation	1,515,738	(4,222)	A	(170,283)	1,341,233
Impairment of non-financial assets	1,281,316	-		(642,858)	638,458
Finance income	(46,654)	-		(801)	(47,455)
Finance costs	1,589,532	(11,100)	A	(91,731)	1,486,701
Income tax	215,425	-		(26,352)	189,073
Loss attributable to owners	1,671,990	7,723	A	-	1,679,713
Loss attributable to non-controlling interests	490,737	7,694	A	-	498,431
Consolidated statement of changes in equity (extract)					
Retained earnings	2,540,467	38,719	A	-	2,579,186
Non-controlling interests	7,292,242	38,561	A	-	7,330,803
Consolidated statement of cash flows (extract)					
Operating activities					
Loss before income tax from continuing operations	-	15,417	A	(856,558)	1,106,161
Loss before income tax from discontinued operations	-	-		856,558	856,558
Depreciation and amortisation	(1,515,738)	4,222	A	-	(1,511,516)
Unrealised exchange difference	124,300	(18,646)	A	-	105,654
Interest expense	(1,220,603)	11,100	A	-	(1,209,503)
Interest paid	855,026	(11,100)	A	-	843,926
Financing activities					
Repayment of principal element of lease	290,048	(993)	A	-	289,055

A. In the prior years, one of the subsidiaries of SUN Limited sold 90 villas to various investors under the Invest Hotel Scheme ("IHS"), and immediately leased them back until the end of the underlying Government land lease. The villas were subsequently classified as property, plant, and equipment in 2018, with a smaller portion capitalised as inventories, with a corresponding lease liability, accounted for at the present value of the minimum lease payments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

46. PRIOR YEAR RESTATEMENT (Cont'd)

Following a review of all the agreements between the SUN Group and the IHS owners, the following prior year adjustments were identified:

- Derecognition of the property, plant and equipment and corresponding lease liabilities for 57 out of the 90 villas on the ground that these agreements have no fixed guaranteed payments, hence did not meet the criteria for capitalisation;
- Retranslation of the lease liabilities, denominated in foreign currencies, for the remaining 33 villas to Mauritian Rupees at the closing rates; and
- Following the adjustment identified per note (i) above, a reassessment of the impairment of the cash generating units was performed at 30 June 2019, which resulted in the reversal of MUR 81.7m of impairment of property, plant and equipment previously recognised and the reversal of the related deferred income tax impact.

B . Accrued interest on borrowings which was incorrectly reported as 'Trade and other payables,' has now been reclassified to 'borrowings' (2020: MUR 170.5m, 2019: MUR 82.2m).

47. DISCONTINUED OPERATIONS

Accounting policies

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

a. Hotels and Resorts segment

During the financial year ended 30 June 2021, SUN Limited disposed the assets of Kanuhura in Maldives to Leisure Ocean Private Limited. The strategic decision to move out of the Maldives was taken before the COVID-19 pandemic so that the SUN can refocus its resources on its portfolio of properties in Mauritius and reduce its gearing level in the future. The transaction was successfully completed on 03 May 2021 and proceeds on disposal amounting to USD 41.5M were received in cash. SUN Limited recognised a profit on disposal of the assets of MUR 29M, detailed as follows:

	Hotels and Resorts	
	2021	2020
	MUR'000	MUR'000
Consideration received - cash and cash equivalents	1,676,600	-
Less cost to sell	(42,646)	-
	1,633,954	-
Less net book value of assets disposed	(1,604,918)	-
Profit on disposal of assets	29,036	-

The profit on disposal is included in the profit or loss for the year from discontinued operations in the consolidated financial statements.

The carrying amounts of assets and liabilities as at the date of disposal (03 May 2021) were:

	2021	2020
	MUR'000	MUR'000
Property, plant and equipment	1,604,918	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

47. DISCONTINUED OPERATIONS (Cont'd)

b. *Textile segment*

On 28 August 2021, CIEL Textile Limited (CTL) entered a strategic partnership with the SOCOTA group in Madagascar to combine over 90 years of woven fabric expertise. The partnership involves a significant change in the operations of Consolidated Fabric Limited (CFL), whose assets and liabilities have been stated as 'assets classified as held for sale' and 'liabilities directly associated with assets classified as held for sale' respectively. It is also important to note that a regeneration project will be conducted on the existing sites of CFL to ensure that new activities are developed in the region.

c. *Disposal of shares in International Air Ambulance Limited*

With effect from 30 June 2021, Ciel Healthcare Limited through International Medical Group Limited disposed of its investments in International Air Ambulance Limited, a company incorporated in Uganda. The Combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been presented to include operation classified as discontinued during the year.

d. *An analysis of the result of discontinued operations are as follows*

	THE GROUP	
	2021	2020
	MUR'000	MUR'000
Revenue	963,745	967,686
Earnings before interest, tax, depreciation and amortisation and impairment	265,639	48,115
Depreciation and amortisation	(98,526)	(170,283)
Impairment of non-financial assets	(392,049)	(642,582)
Impairment of financial assets	-	(276)
Net finance costs	(62,601)	(91,532)
Loss before income tax	(287,537)	(856,558)
Income tax credit/(change)	40,156	(26,352)
Loss for the period from discontinued operation	(247,381)	(882,910)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021 (CONT'D)

47. DISCONTINUED OPERATIONS (Cont'd)

d. *An analysis of the result of discontinued operations are as follows: (Cont'd)*

	2021 MUR'000	2020 MUR'000
Loss on discontinued operations attributable as follows:		
Owners of the parent	(137,944)	(491,919)
Non-controlling interests	(109,437)	(390,991)
	(247,381)	(882,910)
Net cash flows from discontinued operations		
Operating cash flows	(1,080,958)	265,578
Investing cash flows	1,650,646	(59,082)
Financing cash flows	(613,216)	(9,121)
	(43,528)	197,375

		2021	2020
Basic and diluted earnings per share			
Loss attributable to owners from discontinued operations	MUR'000	(137,944)	(491,919)
Weighted average number of ordinary shares		1,686,967	1,682,664
Loss per share	MUR'000	(0.08)	(0.29)

	2021 MUR'000	2020 MUR'000
Loss on discontinued operations by segment:		
Hotels and resorts segment	(244,927)	(778,061)
Textile segment	(26,930)	(99,604)
Healthcare segment	24,476	(5,245)
	(247,381)	(882,910)
Net cash flows from operations by segment:		
Hotels and resorts segment	(9,749)	4,399
Textile segment	(29,572)	26,532
Healthcare segment	(4,207)	166,444
	(43,528)	197,375

48. SUBSEQUENT EVENTS

CIEL Healthcare Ltd

On 25 June 2021, the Board and shareholders of C-Care (Mauritius) Limited approved the issue of up to a maximum of 500 unquoted redeemable preference share at an issue price of MUR 100,000 per Redeemable Preference Share, by way of private placement.

On 18 August 2021 CHL disposed of its investment in Hygeia Nigeria Limited.

There were no other events after the reporting date which require disclosures in or amendments to these financial statements.

APPENDIX A – DIRECTORSHIPS OF SUBSDIARIES – FY 2021

	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 Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited)	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	CIEL Healthcare Ltd	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited)	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	Centre de Radiotherapie de l'Ocean Indien	City & Beach Hotels (Mtius) Ltd	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Skies Ltd	EM Insurance Brokers Limited	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Knitwear Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd
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	IPRO Fund Management Ltd	IPRO Funds Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée	Loisirs des Iles Ltd	Long Beach IHS Ltd (In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITConsult Ltd	MITCO Côte D' Ivoire (Wound up on 21 April 2021)	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	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 FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Centralised Services Ltd (In process of being wound up)	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun Hotel Investment Ltd (Wound up 25 November 2020)	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Real Estates Ltd (Wound up on 05 June 2020)	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Resorts (Seychelles) Ltd (Wound up on 14 September 2020)	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	The Spirit of St Louis Global Equity Fund 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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A: Appointed as director during the year R: Resigned as director during the year AD: Alternate Director R*: Resigned on 30.06.2021

APPENDIX A – DIRECTORSHIPS OF SUBSDIARIES – FY 2021

	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 Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited)	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	CIEL Healthcare Ltd	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited)	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	Centre de Radiotherapie de l'Ocean Indien
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MOOSUN Mohammad Reshad																											
MOOTOO Maryeven																											

	City & Beach Hotels (Mtius) Ltd	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Skies Ltd	EM Insurance Brokers Limited	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Knitwear Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd
EYNAUD Francois	✓		✓															✓									
FOK WAH Kevin																											
FONTANILLE Arnaud																											
GANGWAR Krishna Kant																											
GAVE Louis Vincent																											
GERMAIN Stephanie																											
GHOSE Sarbajit																											
Girard Laurent Christian									A																		
GUIMBEAU M.A. Louis							✓																				
GUNGADIN SAMINDRA															A												
GUJJALU Rajiv																							R				
HAREL Didier																											
HENRY Stéphane																											✓
HERY MANANTENANSOA Micheline																											
HIRIDJEE Hassanein Shahreza																						✓					
HOAREAU Daniella																											
HOVENIER Robert																			R								
HUGNIN Thierry												✓															
IP WAN SHEK Pit-Lan Kan Youne (Francoise)													R			R											
JEENARAIN Rameswarsingh																											
JOELISOA Liliane																											
JOOMYE Azad																			A								
JULIE Bernardette Suzanne																											
KEENOO-SEEGOOLAM Poonam																			✓								
KHADAROO Saleem																											
KHULLAR Amit											A		A	A													
KHUSHIRAM Khushhal Chand																											✓
KISSOONDARY Yougendranath				A	✓																✓		✓	✓	✓	✓	
KISTOO Ravindranath																					✓		✓	✓	✓	✓	
KOA WING Jane																											
KOCH Philippe																											
KUMAR Rajesh																											
LAGESSE Thierry							✓																				
LAGESSE Patrice Jérôme																											
Laguna Clothing (Mauritius) Ltd																											
LAGUETTE Tony																											
LECLEZIO Arnaud																											
LEECH Paul Ernest																											
LEE Patrick																			A								
LI KWONG WING Kate																											
LONBORG-NIELSEN Annabelle																											
LOWICK Jonathan																											
LEROY Sophie																											
MAKOOND Deonanan (Raj)																											
MAYER Harold		R									R			R													
MAYER J.R Michel																											
MCILRAITH CATHERINE																											
MONTI Bruno																											
MONTI Manuel																											
MOOSUN Mohammad Reshad											A		A	A													
MOOTOO Maryeven																											

	IPRO Fund Management Ltd	IPRO Funds Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée	Loisirs des Iles Ltd	Long Beach IHS Ltd (In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITConsult Ltd	MITCO Côte D' Ivoire (Wound up on 21 April 2021)	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	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 FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd	SRL Management Ltd
EYNAUD Francois								✓	✓	✓																			✓	✓	✓	✓	✓
FOK WAH Kevin																						R											
FONTANILLE Arnaud																													✓				
GANGWAR Krishna Kant																																	
GAVE Louis Vincent																																	
GERMAIN Stephanie																																✓	✓
GHOSE Sarbajit				✓	✓																												
Girard Laurent Christian																																	
GUIMBEAU M.A. Louis																																	
GUNGADIN SAMINDRA																												A					
GUJJALU Rajiv																																	
HAREL Didier																																	
HENRY Stéphane	✓	✓																					✓										
HERY MANANTENANSOA Micheline																																	
HIRIDJEE Hassanein Shahreza																																	
HOAREAU Daniella																																AD	AD
HOVENIER Robert											R		R				R	R	R	R													
HUGNIN Thierry																	✓																
IP WAN SHEK Pit-Lan Kan Youne (Francoise)																																	
JEENARAIN Rameswarsingh																																	
JOELISOA Liliane																																	
JOOMYE Azad												A	A	A				A		A													
JULIE Bernardette Suzanne																																✓	✓
KEENOO-SEEGOOLAM Poonam											A	A	✓	A			R	✓	✓	✓													
KHADAROO Saleem										A																							
KHULLAR Amit																																	
KHUSHIRAM Khushhal Chand		✓																															
KISSOONDARY Yougendranath			✓																			✓											
KISTOO Ravindranath																																	
KOA WING Jane										A																							
KOCH Philippe		✓																															
KUMAR Rajesh					R																												
LAGESSE Thierry																																	
LAGESSE Patrice Jérôme																																	
Laguna Clothing (Mauritius) Ltd																																	
LAGUETTE Tony																R																	
LECLEZIO Arnaud																							✓										
LEECH Paul Ernest																																	
LEE Patrick											A	A	A	A			A	A		A													
LI KWONG WING Kate											✓						✓																
LONBORG-NIELSEN Annabelle																					✓												
LOWICK Jonathan																																	
LEROY Sophie																																	
MAKOOND Deonanan (Raj)																																	
MAYER Harold																					✓												
MAYER J.R Michel																																	
MCILRAITH CATHERINE																																	
MONTI Bruno				✓		✓																											
MONTI Manuel				✓		✓																											
MOOSUN Mohammad Reshad																																	
MOOTOO Maryeven			R																														

	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Centralised Services Ltd (In process of being wound up)	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun Hotel Investment Ltd (Wound up 25 November 2020)	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Real Estates Ltd (Wound up on 05 June 2020)	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Resorts (Seychelles) Ltd (Wound up on 14 September 2020)	Sun Styled Boutiques Ltd	Sun Supoort Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	The Spirit of St Louis Global Equity Fund 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
EYNAUD Francois	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓								✓	✓	✓
FOK WAH Kevin																																	
FONTANILLE Arnaud																																	
GANGWAR Krishna Kant																												R					
GAVE Louis Vincent																									A								
GERMAIN Stephanie																																	
GHOSE Sarbajit																												A					
Girard Laurent Christian																																	
GUIMBEAU M.A. Louis																																	
GUNGADIN SAMINDRA																																	
GUJJALU Rajiv																																	
HAREL Didier												R*																					
HENRY Stéphane																																	
HERY MANANTENANSOA Micheline																																	
HIRIDJEE Hassanein Shahreza																																	
HOAREAU Daniella																																	
HOVENIER Robert																																	
HUGNIN Thierry																																	
IP WAN SHEK Pit-Lan Kan Youne (Francoise)																																	
JEENARAIN Rameswarsingh																																	✓
JOELISOA Liliane																																	
JOOMYE Azad																																	
JULIE Bernardette Suzanne																																	
KEENOO-SEEGOOLAM Poonam																																	
KHADAROO Saleem		A								A																						A	
KHULLAR Amit																																	
KHUSHIRAM Khushhal Chand																																	
KISSOONDARY Yougendranath																																	
KISTOO Ravindranath																																	
KOA WING Jane		A									A											A											
KOCH Philippe																																	
KUMAR Rajesh																																	
LAGESSE Thierry																																	
LAGESSE Patrice Jérôme																																	
Laguna Clothing (Mauritius) Ltd																																	
LAGUETTE Tony																																	
LECLEZIO Arnaud																																	
LEECH Paul Ernest																																	
LEE Patrick																																	
LI KWONG WING Kate																																	
LONBORG-NIELSEN Annabelle																																	
LOWICK Jonathan																																	
LEROY Sophie																																	
MAKOOND Deonanan (Raj)																																	
MAYER Harold												✓																R	R				
MAYER J.R Michel																																	
MCILRAITH CATHERINE																																	
MONTI Bruno																																	
MONTI Manuel																																	
MOOSUN Mohammad Reshad																																	
MOOTOO Maryeven																																	

A: Appointed as director during the year   R: Resigned as director during the year   AD: Alternate Director   R*: Resigned on 30.06.2021

APPENDIX A – DIRECTORSHIPS OF SUBSDIARIES – FY 2021

	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 Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	CIEL Healthcare Ltd	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	Centre de Radiotherapie de l'Ocean Indien	City & Beach Hotels (Mtius) Ltd	Consolidated Fabrics Ltd	CTL Retail Ltd
MOREAU Denis																		✓												
MORIARTY Emmett																					✓									
MUBEEZI Charity Melody																														
MUHIEDDINE Hassane										✓																				
MUNISAMY Neera	R																													
NOWJEE Nitish Rao																					AD									
ONY Sandrine Duglat Claire																														
PASCAL Sylvain													✓																	
PATEL Maneesh					A		A																						A	
PAVEY GEORGE																			✓											
PERDIGON Véronique										✓																				
PERRIER Charles	✓			A																										
RABESISOA Haingo Fanapera										✓																				
RAMLAGUN Neelmanee																														
RAVELOARIVONY Vonifanja				A				✓																						
RAZE Mathieu																														
REY Alain					R										R											✓			R	
REYES Carol																														
RICHÉ Olivier																														
RIVALLAND Bertrand	✓			A	A		✓	✓	✓																✓				A	
RIVET Jean-Marc											✓																			
ROSTAND Tom																					AD									
RUNGHEN Satuda									✓																					
Sathisha						✓																								
SAUZIER Christine												✓	✓			R					✓			A						
SAVOYE Jean-Louis																														
SHIH Kristin Chienlun																					R									
SHIW MAHARAJ Lockmanya							R																							
SIVARAMEN Samila									✓									✓												
SLAMA Youssef																											A			
SOLOMON Brent																		AD												
SANDHU Sukhmeet Singh													A																	
SUNDARAM Ramasubramanian															R															
TAKUN SADECK				A																										
TAJOO Ayaz								✓																						
TEEROOVENGADUM Kevindra																R								A						
TERRIEN Denis																										✓				
THEVENAU Bertrand															✓											✓				
THOMAS Michel													✓																	
Tropic Mad SA																														
VAQUIER Pierre																														
VEERASAMY Naderasen																														
VIDAL Jérôme													✓																	
VIJ Ashwini	A																													
VISWESWARAN Ramesh																														
VIVES Marc-Emmanuel										✓								R	R											
WALTER Pascal					A																								✓	
WONG YUN SHING Tommy		✓	✓						✓																			✓		✓
YEE SAK CHAN Jane															A															

	Ebene Skies Ltd	EM Insurance Brokers Limited	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Knitwear Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd	IPRO Fund Management Ltd	IPRO Funds Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA
MOREAU Denis																														
MORIARTY Emmett																														
MUBEEZI Charity Melody																		R			R	R								
MUHIEDDINE Hassane																			✓											
MUNISAMY Neera														✓																
NOWJEE Nitish Rao																														
ONY Sandrine Duglat Claire																														
PASCAL Sylvain																														
PATEL Maneesh																														
PAVEY GEORGE																														
PERDIGON Véronique																														
PERRIER Charles								A		✓	A	✓	✓	✓																
RABESISOA Haingo Fanapera																														
RAMLAGUN Neelmanee																														
RAVELOARIVONY Vonifanja												✓																		✓
RAZE Mathieu																											✓			
REY Alain								R			R																			
REYES Carol																														
RICHÉ Olivier																														
RIVALLAND Bertrand								A		✓	A	✓	✓	✓																✓
RIVET Jean-Marc			R		A	A	A		✓																		✓			
ROSTAND Tom																														
RUNGHEN Satuda																														
Sathisha																														
SAUZIER Christine		✓		✓					✓								✓							✓		✓				
SAVOYE Jean-Louis																														
SHIH Kristin Chienlun																														
SHIW MAHARAJ Lockmanya																														
SIVARAMEN Samila																								AD		✓				
SLAMA Youssef																														
SOLOMON Brent																														
SANDHU Sukhmeet Singh																		A			A	A	A							
SUNDARAM Ramasubramanian																														
TAKUN SADECK																														
TAJOO Ayaz																														✓
TEEROOVENGADUM Kevindra				✓																										
TERRIEN Denis																														
THEVENAU Bertrand																														
THOMAS Michel																														
Tropic Mad SA																														
VAQUIER Pierre																														
VEERASAMY Naderasen																														
VIDAL Jérôme																														
VIJ Ashwini																														
VISWESWARAN Ramesh																													A	
VIVES Marc-Emmanuel																			R					✓	✓	✓				
WALTER Pascal																														
WONG YUN SHING Tommy															✓															
YEE SAK CHAN Jane																														

	Le Café du Volcan Ltée	Loisirs des Iles Ltd	Long Beach IHS Ltd (In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITConsult Ltd	MITCO Côte D' Ivoire (Wound up on 21 April 2021)	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	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 FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd
MOREAU Denis																														
MORIARTY Emmett																														
MUBEEZI Charity Melody																														
MUHIEDDINE Hassane																														
MUNISAMY Neera																														
NOWJEE Nitish Rao																														
ONY Sandrine Duglat Claire																														
PASCAL Sylvain																														
PATEL Maneesh																														
PAVEY GEORGE																														
PERDIGON Véronique																														
PERRIER Charles																						✓								
RABESISOA Haingo Fanapera																														
RAMLAGUN Neelmanee																														
RAVELOARIVONY Vonifanja																				✓	✓	✓								
RAZE Mathieu																														
REY Alain																														
REYES Carol										A																				
RICHÉ Olivier																														
RIVALLAND Bertrand																				✓		✓								
RIVET Jean-Marc																		A	A											
ROSTAND Tom																														
RUNGHEN Satuda																														
Sathisha																														
SAUZIER Christine																														
SAVOYE Jean-Louis																														
SHIH Kristin Chienlun																														
SHIW MAHARAJ Lockmanya																														
SIVARAMEN Samila											✓																			
SLAMA Youssef																														
SOLOMON Brent																														
SANDHU Sukhmeet Singh																														
SUNDARAM Ramasubramanian																														
TAKUN SADECK																														
TAJOO Ayaz																														
TEEROOVENGADUM Kevindra											✓																			
TERRIEN Denis																														
THEVENAU Bertrand																														
THOMAS Michel																														
Tropic Mad SA																														
VAQUIER Pierre																														
VEERASAMY Naderasen																														
VIDAL Jérôme																														
VIJ Ashwini																														
VISWESWARAN Ramesh																														
VIVES Marc-Emmanuel					R						R																			
WALTER Pascal																														
WONG YUN SHING Tommy		✓	✓	✓																			✓	✓	✓	✓	✓	✓	✓	
YEE SAK CHAN Jane																				✓										

	SRL Touessrok Residences & Villas Ltd	Sun Centralised Services Ltd (In process of being wound up)	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun Hotel Investment Ltd (Wound up 25 November 2020)	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Real Estates Ltd (Wound up on 05 June 2020)	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Resorts (Seychelles) Ltd (Wound up on 14 September 2020)	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	The Spirit of St Louis Global Equity Fund 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
MOREAU Denis																														
MORIARTY Emmett																														
MUBEEZI Charity Melody																														
MUHIEDDINE Hassane																														
MUNISAMY Neera																														
NOWJEE Nitish Rao																														
ONY Sandrine Duglat Claire																														
PASCAL Sylvain																														
PATEL Maneesh																														
PAVEY GEORGE																														
PERDIGON Véronique																														
PERRIER Charles																														
RABESISOA Haingo Fanapera																														
RAMLAGUN Neelmanee																			✓											
RAVELOARIVONY Vonifanja																											✓			
RAZE Mathieu																														
REY Alain																										R				
REYES Carol																														
RICHÉ Olivier									✓																					
RIVALLAND Bertrand																							✓	✓	✓	A	✓			
RIVET Jean-Marc																														
ROSTAND Tom																														
RUNGHEN Satuda																														
Sathisha																														
SAUZIER Christine																					✓									
SAVOYE Jean-Louis									✓																					
SHIH Kristin Chienlun																														
SHIW MAHARAJ Lockmanya																														
SIVARAMEN Samila																														
SLAMA Youssef																														
SOLOMON Brent																														
SANDHU Sukhmeet Singh																														
SUNDARAM Ramasubramanian																								R	✓	R				
TAKUN SADECK																														
TAJOO Ayaz																														
TEEROOVENGADUM Kevindra																														
TERRIEN Denis																														
THEVENAU Bertrand																							✓	✓	✓	✓				
THOMAS Michel																														
Tropic Mad SA																														
VAQUIER Pierre									✓																					
VEERASAMY Naderasen									✓			R																		
VIDAL Jérôme																														
VIJ Ashwini																														
VISWESWARAN Ramesh																														
VIVES Marc-Emmanuel																						A								
WALTER Pascal																														
WONG YUN SHING Tommy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓								✓	✓	✓
YEE SAK CHAN Jane																								✓	✓	A	✓			

A: Appointed as director during the year R: Resigned as director during the year AD: Alternate Director R*: Resigned on 30.06.2021