CURRIMJEE

SINCE 1890

INTEGRATED REPORT

2018

TOGETHER
BUILDING A BETTER TOMORROW
THROUGH A VALUE-DRIVEN CULTURE

ABOUT THIS Report

REPORTING SCOPE AND BOUNDARY

This first integrated report of Currimjee Jeewanjee and Company Limited ("CJ") provides information relating to its strategy, business model, operating context, material risks and opportunities, governance and operational performance for the period 1 January 2018 to 31 December 2018. This report covers CJ, its subsidiaries and associates (CJ Group) and excludes the subsidiaries which are under the control of Currimjee Industries Limited, namely Quality Beverages Limited, Soap & Allied Industries Limited, Central Distributors Company Limited, Margarine Industries Limited.

Please refer to page 10 for Group Structure.

We have published the annual financial statements ("AFS") of the CJ Group which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In the present reporting process for all our reports contained herein, we have been guided by the principles and requirements contained in the IIRC's International <IR> Framework, the GRI's Standards, the National Code on Corporate Governance 2016, Committee of Sponsoring Organizations (COSO) framework for Enterprise Risk Management (ERM) and the Companies Act of 2001.

OUR APPROACH TO MATERIALITY

This report provides information that we believe is of material nature in the ability of the Group to generate value over the short, medium and long term. In order to determine our materiality, we have considered our business models, our interactions with our relevant capitals, our operating context, the relevance to our key stakeholders and our business strategies.

In addition to CJ, we have presented business models for the Telecoms, Media & IT and Real Estate clusters as these are considered to be material as at end of 2018. As for our Tourism & Hospitality cluster, we shall present a business model in 2019 given that Anantara Le Chaland will be operational in 2019. Regarding Commerce & Financial Services and Energy, we have provided a brief on how they are structured to create value for all our stakeholders.

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Who WE ARE

UNITED TEAM

With the creation of new structures and governance rules, the Group has, to date, set up a strong organisation managed by a team of local and international experts.

STRONG HERITAGE

Our story begins way back in 1884 when a 22-year-old, adventurous young man, Currimjee Jeewanjee, stepped off the ship in Port Louis after a two-month journey from India. He had a clear vision of where he wanted to go and had strong values that governed the way he did business and how he measured success. These are some of the traits we have tried to maintain.

ETERNAL VALUES

Although a lot has changed over the years, these strong values the founder embedded in the Company's foundation have remained the same: Foresight, Integrity, Responsibility, Passion and Openness.

BRIGHT FUTURE

The Group has always played an active role in the sustainable development of Mauritius. We continue to create opportunities and contribute to a better tomorrow for future generations.

Glossary ICONS

VALUES

- Foresight
- Integrity
- Responsibility
- Passion
- Openness

CAPITAL

- Financial
- Human
- Intellectual
- Relationship
- Manufactured
- Social & natural*

*CJ has opted to group Social and Natural Capital instead of having Social and Relationship Capital together in consideration of its sustainability approach.

We use different icons throughout this report which are explained below.

STRATEGIC DIRECTIONS

- Focused portfolio
- Risk diversification
- Operational efficiency
- Sustainability element

CLUSTERS

- Telecoms, Media and IT
- Real Estate
- Tourism and Hospitality
- Commerce and Financial services
- Energy

Our HISTORY

1884–1890

THE BEGINNING

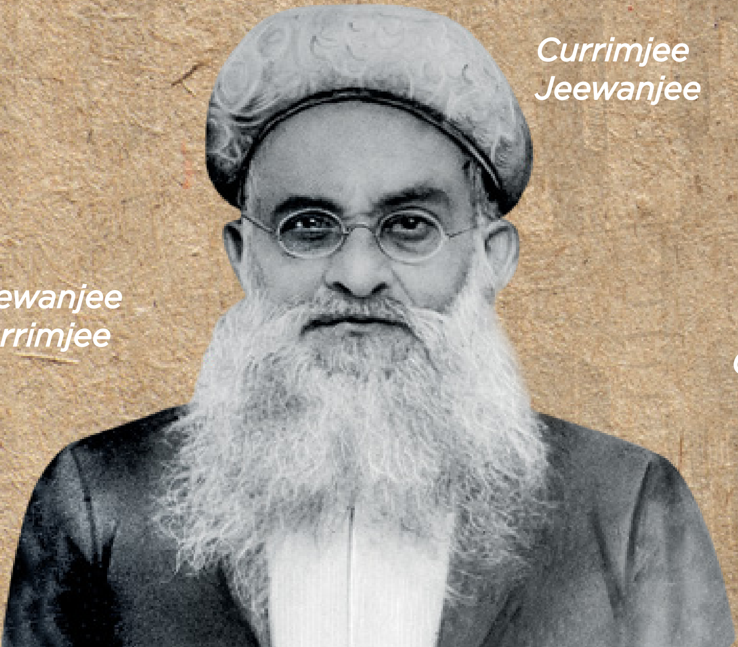
In 1884, Currimjee Jeewanjee, a young man of 22 leaves Mandvi, in Gujarat, India and arrives in Mauritius on the 4th May. Initially he takes up employment in Port Louis and in 1890 sets up his own business. In 1900, he starts Currimjee Jeewanjee & Co in partnership with his two brothers Noorbhay and Hossenbhay Jeewanjee, mainly dealing in livestock feed.

129 YEARS – AN EPIC JOURNEY

The history of the Currimjee Group is intricately linked to the history of our nation, and as Mauritius progressed, so did the Group over the last 129 years...

From trading, the Group diversified into manufacturing, marketing and distribution in the 1950s and 1960s and into services and high technology in the closing decades of the 20th century. We have grown over the years to become one of the leading Group in Mauritius and now form an integral part, through our wide range of activities, of the day-to-day lives of each and every Mauritian household.

Jeewanjee Currimjee



Currimjee Jeewanjee

Abdulla Currimjee

1890–1931

EXPANSION

Under the leadership of the founder, the business expands rapidly and diversifies in the importation of rice, grain and flour as well as the export of sugar to India. After the demise of their father, Jeewanjee and Abdulla Currimjee buy out the shares of their Uncle Noorbhay and expand the business with offices in Mumbai and Rangoon.

1931–1955

DIVERSIFICATION

The Company sees further diversification of its trading activities with import of textiles from India, of chemical fertilizers from England and of timber from the Far East. In the mid 1930s, the Company invests in a cement factory near Majunga, Madagascar. In 1948, the Company becomes a limited liability company.

1955–1965

INDUSTRIALISATION

In 1955, the Group obtains the franchise of Pepsi-Cola which marks the beginning of its industrial activity in Mauritius.

The third generation comes back to Mauritius after their studies and join the business to contribute to the advancement of the Company. Prior to the period of Independence, the Group invests in the import substitution industries with the manufacture of soap, margarine and later detergents. It is also a period where the company invests in Real Estate.

1970–late 80s

VENTURE INTO THE SERVICES AND ENERGY

The Company gets into the services: hospitality, tourism, travel industry with the opening of a business hotel in the center of Curepipe and a travel agency. The Company also invests in the insurance, logistics sector and energy sector with Elf Antargaz, as part of a partnership with the French company Elf, now merged with Total. At the same time, the Group rethinks its management structure and sets up Currimjee Limited.

During the same period, the Currimjee Group becomes one of the pioneer in the local knitting industry with the setting up of Bonair for a journey which lasted for more than two decades.

Late 80's–2000

A BOLD AND HISTORICAL STEP

In a true pioneering spirit, the company launches EMTEL in 1989, the first mobile operator of Southern Hemisphere, in partnership with the American-Swedish company Millicom-Comvik.

The Company then penetrates the Indian market by teaming up with Bharti Airtel. It also launches Telecom Seychelles Limited in Seychelles from which the company disinvested in 2010.

In 1999, the Company made a decisive entry into the media industry with the launch of Pay TV through its subsidiary MC Vision, with the French Group Canal + and MBC as shareholders.

2009–2018

BRANCHING OUT INTO THE HOSPITALITY SECTOR

The first important milestone in the Hospitality sector is the purchase of the Méridien Barbarons in the Seychelles. It is renamed Avani Seychelles Barbarons Resort and Spa and then is sold in 2016.

Back in 2010, the Group re-entered the Mauritian Tourism & Hospitality industry with the construction and opening of a 164-room hotel, Anantara Le Chaland, in a Management Partnership with Minor. The hotel is expected to open in 2019.

OUR *Purpose*

TOGETHER, building a better tomorrow through a value-driven culture.

Our MISSION

Through our continuous commitment to our people, progress and strong values, we will continue to lead the way. We are a proudly Mauritian organisation with a rich heritage of entrepreneurship and foresight, ever learning from our past to build something better for today and for the generations to come.

OUR Values

5 values at heart

Foresight

By making an effort to understand the needs of our customers and communities and taking a long-term view, we are able to visualise a better future and make it a reality through conscientious planning.

Integrity

As a Group, we are known for always doing what we say. Through honesty, fairness and respect, we aim to build strong long-term relationships with all the stakeholders.

Responsibility

We understand that success is not only reflected in the bottom line but also in how we positively impact the surrounding communities and the environment.

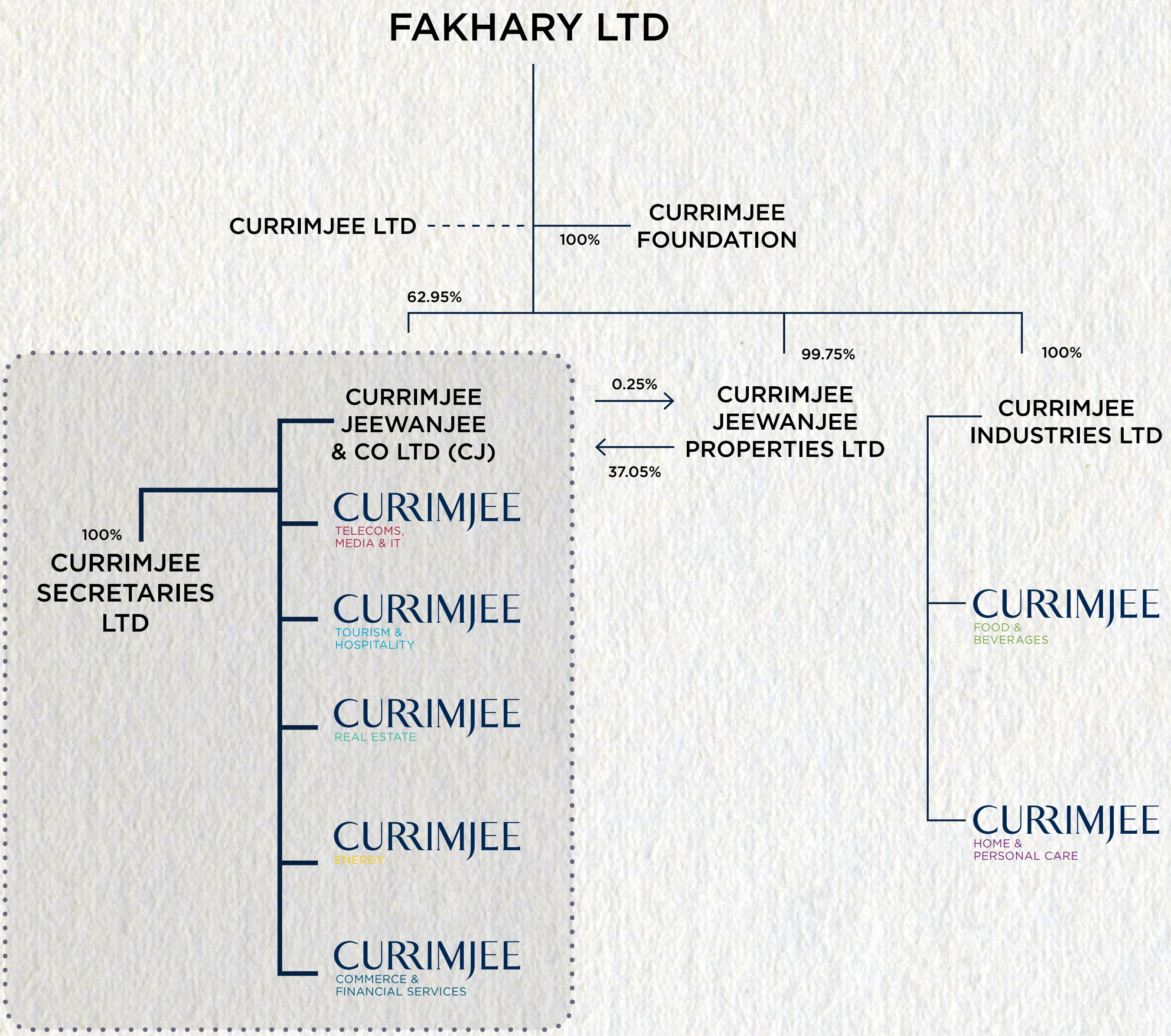
Passion

We have the passion required to bring our vision to life, to inspire success and build a better tomorrow for our customers, company, people and country.

Openness

We are open and inclusive, always willing to learn from others and demonstrating respect for different cultures, beliefs and ideas.

Group STRUCTURE



CJ forms part of a Group with Fakhary Limited, wholly owned by members of the Currimjee family, as the ultimate holding company. Currimjee Limited was set up in 1989 to provide management services to the different companies of the Currimjee Group and to act as a supervisory Board for the Group.

Today Currimjee Limited acts only as a supervisory Board through a defined governance framework with the ability to oversee the businesses forming part of the Group, including Currimjee Jeewanjee & Co Ltd.

As part of this Governance framework and its role as a supervisory Board, the board of Currimjee Limited has set up a Nomination & Remuneration Committee which has as mandate, amongst other matters, to recommend persons to be nominated to the Board of Currimjee Jeewanjee & Co Ltd.

CURRIMJEE SECRETARIES LTD (CSL)

The secretarial services of the Group companies were previously provided by Currimjee Limited. This activity was transferred in 2018 to CSL, a wholly owned subsidiary of CJ. At the end of 2018, CSL had 7 employees.

CURRIMJEE FOUNDATION

Incorporated in November 2009, the Currimjee Foundation (CF) is the vehicle through which the CSR projects of the Currimjee Group are managed and monitored. CF ensures a focused and coordinated approach to CSR while leveraging on the management resources of the business units and ensuring optimum employee participation and involvement. CF funds initiatives which fall under different intervention areas such as health, education, training, leisure and sports, environment and socio-economic development.

BOARD OF *Directors*

1.	Bashirali A. Currimjee, G.O.S.K.	7.	Riaz A. Currimjee
2.	Anil C. Currimjee	8.	Christophe De Backer
3.	Mazahir F. E. Adamjee	9.	Shahrukh D. Marfatia
4.	Karim A. Barday	10.	M. Iqbal Oozeer
5.	Ashraf M. Currimjee	11.	Geerja S. Ramdaursingh, G.O.S.K.
6.	Azim F. Currimjee	12.	Aisha Timol, G.O.S.K.

BOARD OF DIRECTORS

The Directors' profiles are set out below.

The Board has decided to disclose only other directorship in listed companies.

1

BASHIRALI A. CURRIMJEE, G.O.S.K.

Mauritian citizen

Chairman

Committee membership:

Corporate Governance Committee and Strategy & Finance Committee.

Qualifications:

- BA Arts, Major in Economics and Government, Tufts University, USA.
- OPM, Harvard Business School, USA.

Experience:

- Former President of Mauritius Chamber of Commerce and Industry.
- Former President of the Association of Mauritian Manufacturers and Joint Economic Council (now known as Business Mauritius).
- Former Director of Bank of Mauritius.
- Former Director of SBM Bank (Mauritius) Ltd.
- Honorary Consul General for the Republic of Turkey in Mauritius from 1985 to 2016.
- Held several key executive positions within the Currimjee Group.
- Chairman of numerous companies within the Currimjee Group.
- Managing Director of Emtel Ltd.

Directorship in listed companies:

- Compagnie Immobilière Limitée
- Margarine Industries Limited
- Quality Beverages Limited
- Soap & Allied Industries Limited

2

ANIL C. CURRIMJEE

Mauritian citizen

Managing Director

Committee membership:

Chairman of Strategy & Finance Committee and Member of Human Resources and Organisational Effectiveness Committee.

Qualifications:

- BA Liberal Arts, Williams College, Massachusetts, USA.
- MBA, London Business School, UK.

Experience:

- Former President of the Mauritius Chamber of Commerce & Industry.
- Former Director of The Mauritius Commercial Bank Ltd.
- Honorary Consul General of Japan in Mauritius from 2004 to 2016.
- Chairman of Joint Business Council Mauritius-India.
- Director of numerous companies within the Currimjee Group.

Directorship in listed companies:

- Compagnie Immobilière Limitée
- Margarine Industries Limited
- Quality Beverages Limited
- Sanlam Africa Core Real Estate Investments Limited

3

MAZAHIR F. E. ADAMJEE

Mauritian citizen

Non-executive Director

Committee membership:

Chairman of Audit & Risk Committee, Corporate Governance Committee and Member of Strategy & Finance Committee.

Qualifications:

- A fellow member of the Institute of Chartered Accountants in England and Wales.

Experience:

- Former Chairman of Mauritius Export Processing Zone Association.
- Former Director of Bramer Banking Corporation Ltd.
- Former Deputy Managing Director of the Company.
- Former Managing Director of Bonair Group of companies.
- Former Managing Director of Quality Beverages Limited, a company listed on the SEM.
- Held several key executive positions within the Currimjee Group.
- Non-executive Director in numerous companies within the Currimjee Group.

Directorship in listed companies:

- Compagnie Immobilière Limitée
- Margarine Industries Limited
- National Investment Trust Ltd
- Quality Beverages Limited
- Soap & Allied Industries Limited

4

KARIM A. BARDAY

French citizen

Independent Director

Committee membership:

Human Resources and Organisational Effectiveness Committee.

Qualifications:

- Owner/President Management Program, Harvard Business School, USA.
- Executive MBA, HEC Paris.
- BSc in Economics (Finance et Sciences Politiques), Wharton Business School, University of Pennsylvania.

Experience:

- Former Auditor at Salomon Brothers, New York, USA.
- A former member of Syndicat des Industries de Madagascar.
- Former Board Member and Vice Chairman, American School of Antananarivo.
- CEO of Basan Group in Madagascar.
- Founder and Managing Director of Lecofruit, Madagascar.
- Managing Director of JB, Madagascar.
- Director of SICAM Group Madagascar (a subsidiary of CFAO in Madagascar).

Directorship in listed companies:

- N/A

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ASHRAF M. CURRIMJEE

Mauritian citizen

Non-executive Director

Committee membership:

Audit & Risk Committee and Corporate Governance Committee.

Qualifications:

- BA Economics, Williams College, Massachusetts, USA.

Experience:

- Managing Director of Soap & Allied Industries Limited, a company listed on the SEM.
- Director of numerous companies within the Currimjee Group.

Directorship in listed companies:

- Compagnie Immobilière Limitée
- Margarine Industries Limited
- Mauritius Oil Refineries Limited
- Quality Beverages Limited
- Soap & Allied Industries Limited

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AZIM F. CURRIMJEE

Mauritian citizen

Non-executive Director

Committee membership:

Corporate Governance Committee and Strategy & Finance Committee.

Qualifications:

- BA Mathematics, Williams College, Massachusetts, USA.
- MBA, Trinity College, Dublin, Ireland.

Experience:

- Over 10 years' experience in the textile industry.
- Held key executive positions in the Food and Beverages cluster of the Currimjee Group for the last 15 years.
- Former Manufacturing Director of Bonair Group of Companies.
- Managing Director of Quality Beverages Limited, a company listed on the SEM.
- Director of numerous companies within the Currimjee Group.
- Past President of the Mauritius Chamber of Commerce and Industry (MCCI). He also held this position during 2007 and 2008.
- First Vice-President of COMESA Business Council.
- Vice-President of Economic Development Board of Mauritius.

Directorship in listed companies:

- Margarine Industries Limited
- Quality Beverages Limited
- SBM Holdings Ltd
- Soap & Allied Industries Limited

BOARD OF DIRECTORS

7

RIAZ A. CURRIMJEE

Mauritian citizen

Non-executive Director

Committee membership:

Audit & Risk Committee and Strategy & Finance Committee.

Qualifications:

- BSc Finance, Boston College, Wallace E. Caroll School of Management, Massachusetts, USA.
- A fellow member of the Institute of Chartered Accountants in England and Wales.

Experience:

- Worked in the audit, consultancy, due diligence assignments and investigations field at Arthur Andersen, UK.
- Former Senior Associate at Lazard Brothers, UK in mergers & acquisitions.
- A former partner at Arundel Partners, a hedge fund investment firm.
- Former founder and Managing Director of Surya Capital Limited, UK, a private placement and principal investment firm focused on Indian private equity.
- Currently founder and CEO of Surya Capital Management, a principal investment firm focused on East Africa.

Directorship in listed companies:

- N/A

8

CHRISTOPHE DE BACKER, KNIGHT OF THE NATIONAL ORDER OF MERIT & LEGION OF HONOUR

French citizen

Non-executive Director

Committee membership:

Strategy & Finance Committee.

Qualifications:

- Degree in Economics and Graduate of Institut Supérieur de Gestion, Paris.

Experience:

- Formerly held several key positions within the HSBC Group culminating in his appointment as CEO, HSBC France in 2010.
- Joined Banque Privée Edmond de Rothschild S.A as CEO in 2012 and was subsequently appointed Group CEO, Edmond de Rothschild Group and Edmond de Rothschild (France) until 31 January 2015.
- In 2016, appointed as Director and Member of the Global Executive Committee of HSBC Global Asset Management, and Director of HSBC Global Private Bank.

Directorship in listed companies:

- N/A

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SHAHRUKH D. MARFATIA

Singapore citizen

Independent Director

Committee membership:

Chairman of Human Resources and Organisational Effectiveness Committee.

Qualifications:

- Bachelor's Degree in Commerce.
- Diploma in Business Management.
- Masters Degree in Personnel Management.

Experience:

- Over forty years of experience as Vice-President level in Human Resources globally and in the Asia Pacific and Middle East regions, providing expertise in Business Strategy/Visioning, Strategic HR, Organisation Development/ Effectiveness, Talent Management, Change Management, Performance Management, Leadership Development and Compensation.
- Director, Asia Pacific & Corporate Advisor of White Crow Research/ Colvill Banks.

Directorship in listed companies:

- N/A

10

IQBAL OOZEER

Mauritian citizen

Executive Director

Committee membership:

Strategy and Finance Committee.

Qualifications:

- A fellow member of the Association of Chartered Certified Accountants, UK.
- Attended a number of professional development courses at Alliance Manchester Business School, Euromoney and INSEAD.

Experience:

- Audit Assistant at Kemp Chatteris Deloitte from 1982 to 1986.
- Accountant at Elf Antargaz (Maurice) Ltée from 1987 to 1988.
- Held key executive positions in the Company for more than 25 years.
- Currently Chief Finance Officer of the Company.

Directorship in listed companies:

- N/A

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GEERJA S. RAMDAURSINGH, G.O.S.K.

Mauritian citizen

Non-executive Director

Committee membership:

Corporate Governance Committee and Strategy & Finance Committee.

Qualifications:

- FCA and CF, Institute of Chartered Accountants in England and Wales.
- MBA, Warwick Business School.

Experience:

- Former Director of Corporate Finance at Commonwealth Development Corporation (now known as Actis Capital) in London.
- Former General Manager and Director of an Investment Fund listed on the London and Mauritius Stock Exchanges.
- Former Managing Director of a corporate finance company providing services in Mauritius and the region.
- Former Chairman and Adviser of State Bank of Mauritius Ltd (now known as SBM Holdings Ltd).
- Former Director – Strategy & Projects in the Company.
- Currently Director and Committee Member of various companies within the Currimjee Group.

Directorship in listed companies:

- N/A

12

AISHA TIMOL, G.O.S.K.

Mauritian citizen

Independent Director

Committee membership:

Audit & Risk Committee and Corporate Governance Committee.

Qualifications:

- BSc (Hons) Economics, University of St. Andrews, Scotland.
- Postgraduate Diploma (with Distinction) in Development Planning Techniques, Institute of Social Studies, The Hague, Netherlands.
- Diplôme d'Études Approfondies DEA "Économie Mathématique et Économétrie", Université d'Aix-Marseille III, France.

Experience:

- Previously worked for the Government of Mauritius in various capacities (Director, Financial Services and Deputy Director of the Budget Bureau and the Economic Affairs Department) at the Ministry of Economic Planning and Development and at the Ministry of Finance.
- Former Senior Lecturer in Economics and Econometrics at the University of Mauritius.
- Former Director on Air Mauritius Limited and the Mauritius Revenue Authority and also Member/Chairman on their Board Committees.
- Former Director of the Financial Services Commission, the Mauritius Offshore Business Activities Authority, the Stock Exchange Commission and the Insurance Advisory Committee of the Ministry of Finance.
- Former Member of the Council of Business Mauritius, Council of the Mauritius Chamber of Commerce and Industry, the Board of Directors of Global Finance Mauritius and the Court & Senate of the University of Mauritius.
- Chief Executive of the Mauritius Bankers Association from January 2003 to February 2018.

Directorship in listed companies:

- N/A

CORPORATE LEADERSHIP *Team*

1 2 3

4 5

1. Ramanuj Sudhir Nathoo
2. Nazima Mamode Ally
3. Iqbal Oozeer
4. Marianne Caradec
5. Anil C. Currimjee
6. Ismael Soodeen
7. Vanesha Pareemamun
8. Iqbal Bhugun
9. Rishaad Currimjee
10. Anjana Bissessur-Conhye
11. Sattar Carim

CORPORATE LEADERSHIP TEAM

1

RAMANUJ SUDHIR NATHOO

Group Company Secretary

Qualifications:

- Fellow of the Institute of Chartered Secretaries and Administrators ("ICSA").
- MBA, University of Leicester (UK).

Experience

- Joined the Currimjee Group since year 2000 as Company Secretary.
- Member of the Mauritius Institute of Directors and ICSA Branch Mauritius.
- Previously worked for over 10 years in the Global Business Sector.

2

NAZIMA MAMODE ALLY

Senior Manager – Legal

Qualifications:

- LLB (Honours) Degree, the University of Mauritius.
- Bar Vocational Examination, the Council for Legal Education of Mauritius.
- Called to the Mauritian Bar in year 2000.
- Member of the Mauritius Bar Association.

Experience:

- Nazima joined the Company as Senior Manager – Legal in September 2017. Prior to joining the Company and since the year 2000, Nazima was a tenant at the Chambers of Sir Hamid Moollan, QC, where she practised as a Barrister for 17 years.
- Former part-time law lecturer at the University of Technology of Mauritius and the DCDM Business School (presently the Charles Telfair Institute)
- Experienced in various fields of law, the core of her practice was in Arbitration, Competition, Construction, Corporate, Intellectual Property, Maritime & Shipping, Media & Entertainment, Mergers and Acquisitions and Telecommunications.

3

IQBAL OOZEER

Please refer to page 17.

4

MARIANNE CARADEC

General Manager, Communication and Marketing

Qualifications:

- Graduate from the European Business School, Paris with specialisation in International Affairs.

Experience:

- Appointed General Manager Communication and Marketing of the Company in 2015 and currently manages corporate external communication & internal communication strategy & implementation.
- Appointed as General Manager, Digital and Communication Manager of CANAL+ International in 2009 and was in charge of the launch of Canal+ in Vietnam.
- Appointed as General Manager, Marketing and Communication of Canal+ Overseas in charge of Africa and Overseas in 2002 and also worked as Consultant for Canal+ Poland.
- Started her career in HAVAS Group in 1993 where she was successively in charge of the set-up of Canal+ in the Carribean, the media planning of Procter & Gamble and the PR of BMW for Africa and Middle East. Appointed as Manager of Marketing and Communication of Canal+ for overseas territories in 1996.

5

ANIL C. CURRIMJEE

Please refer to page 14.

6

ISMAEL SOODEEN

Chief Risk Officer

Qualifications:

- Fellow of the Association of Chartered Certified Accountants, UK.

Experience:

- Appointed as Chief Risk Officer in July 2010 with responsibility for administering and managing the Company's Enterprise Risk Management Programme.
- General Manager – Finance & Regulatory, Real Estate cluster of the Group from April 2005 to June 2010.
- Joined the Currimjee Group in 1989 as Financial Controller at Emtel Limited.
- Worked at De Chazal Du Mée (Chartered Accountants) from 1987 to 1988.
- Previously worked at Jeffreys Henry International (Chartered Accountants), London, from 1982 to 1985 and at Brooks and Partners (Chartered Accountants) London from 1985 to 1986.

CORPORATE LEADERSHIP TEAM

7

VANESHA PAREEMAMUN

Chief Human Resource Officer

Qualifications:

- BSC in Economics and Management, University of Cardiff, UK.
- MBA with specialisation in Human Resource Management, University of Mauritius.

Experience:

- Joined the Company as Chief Human Resource Officer in April 2017.
- Joined Cim Finance as Head of HR in 2008 and promoted to the position of Group Head of HR, Cim Group in 2013.
- Previously worked for 10 years as an Economist for the Ministry of Economic Development before joining Business Parks of Mauritius Ltd as Manager Administration and HR.
- Worked for three years as Manager HR at Mauritius Housing Company Ltd.
- Member of the Mauritius Institute of Directors.

8

IQBAL BHUGUN

General Manager, Quality and Sustainability

Qualifications:

- Master of Business Administration (MBA) from the University of Wales, UK with Specialisation in Service Excellence.
- PhD in Physical Chemistry from Paris University Denis Diderot, France.
- Post-doctoral fellowship at the California Institute of Technology, Pasadena, USA.
- Diploma in Quality Assurance from the University of Mauritius.
- Certified Quality Management System (ISO) Internal Auditor with the International Register of Certificated Auditors (IRCA).
- Registered trainer with the Mauritius Qualifications Authority (MQA) and Member of the American Society for Quality (ASQ).

Experience:

- Joined the Company in 2000 and is currently the General Manager, Quality & Sustainability.
- Lecturer at the Faculty of Science of the University of Mauritius from 1998 to 2000.
- Quality Assurance Manager at Quality Beverages Ltd. & Vital Water Bottling Co. Ltd from 1997 to 1998.
- Scientist at the California Institute of Technology, Pasadena, USA from 1995 to 1996.

9

RISHAAD CURRIMJEE

Business Development for the MD's Office

Qualifications:

- Bachelor of Arts from Williams College.
- Executive MBA (with distinction) from INSEAD.
- Level I of the Chartered Financial Analyst institute.

Experience:

- Joined the Company in 2014 as Business Development for the MD's Office.
- 4 years as council member of the Mauritius Chamber of Commerce and Industry, including being Chairman of its business school.
- Co-founded and was the Managing Director of CIDP India, a biotech research company.
- 10 years working in India in various roles - including heading M&A for Bharti Airtel, one of the largest telecom operators in India and Africa. CFO of an infrastructure company, building shared telecom towers pan-India.
- Began career with ING Asset Management in New York, spending 3 years in High Yield bonds.

10

ANJANA BISSESSUR-CONHYE

Manager, MD's Office

Qualifications:

- BSc (Hons) Economics from the University of Mauritius.
- Fellow of the Association of Chartered Certified Accountants, UK
- MBA (with Merit) from the University of Leicester, UK.

Experience:

- Manager, MD's Office as from early 2015.
- Joined Currimjee Jeewanjee & Co Limited in 2011 as Manager Corporate Strategy and Projects.
- Manager Corporate Planning and Finance at Currimjee Limited in 2002.
- Anjana joined the Currimjee Group as Research Assistant in 1998 (after having worked for 8 months in a local bank).

11

SATTAR CARIM

Chief Internal Auditor

Qualifications:

- Fellow of the Association of Chartered Certified Accountants.
- Affiliate member of the Institute of Internal Auditors, UK.

Experience:

- Joined the Company as Chief Internal Auditor in 1995.
- Holds more than 14 years' prior experience in internal auditing having worked as Internal Audit Manager at Independent Television News (ITN), UK, Senior Levy Auditor at the Independent Broadcasting Authority, UK, Senior Internal Auditor at Thames TV, UK and British Broadcasting Corporation (BBC), UK.
- Worked for three years at Manjoo & Co (Accounting Firm), UK as Auditor.

BUSINESS LEADERSHIP Team

1. Anousha Mahadea Sathan
2. Varsha Ramchurn
3. Krishnaduth Goomany
4. Tanvir Adamjee
5. Gilbert Sunglee
6. Franck Challier
7. Rajvardhan Singh Bhullar
8. Rouben Soobrayen
9. Ghislaine S. Tchibozo
10. Dinesh Burrenchobay

BUSINESS LEADERSHIP TEAM

1

ANOUSHA MAHADEA SATHAN

General Manager, Currimjee Informatics Limited

Qualifications:

- B.Sc. (Hons) in Accounting
- B.Sc. (Hons) with distinction in information Technology
- Maîtrise en commerce et affaires internationales
- Certified Accountant from Association of Chartered Certified Accountants (ACCA)
- Certified Project Manager from Project Management Institute

Experience:

- Joined the Group in November 2001 and has been holding different key positions and is currently the General Manger of Currimjee informatics Ltd.

2

VARSHA RAMCHURN

General Manager, Silver Wings Travels

Qualifications:

- MBA, University of Surrey, UK.
- MSc, MS University, India.
- BSc, MS University, India.
- Advanced IATA Diploma, IATA, Geneva.
- Diploma in Sales and Marketing, University of Mauritius.

Experience:

- A rich experience of 30 years in the field of Travel and Tourism.
- 26 years at the helm of Silver Wings Travels, an IATA accredited travel agency ranking amongst the top 3 in Mauritius.
- President of MAITA – Mauritius Association of IATA Travel Agents.
- Director on the Board of UFTAA – Universal Federation of Travel Agents Associations.

3

KRISHNADUTH GOOMANY

Deputy Chief Executive Officer Emtel Ltd

Qualifications:

- BEng (Hons) Degree in Electronic and Electrical Engineering, University of Birmingham, UK.
- Master's degree in Telematics, University of Surrey, UK.
- MBA, Heriot-Watt University, UK.

Experience:

- Consultant in the Company from August 2014 – May 2015, Chief Operating Officer as from 01 June 2015 and Deputy CEO as from April 2018.
- Has 27 years' of (local and international) experience in the telecommunication industry and a good understanding of local market.
- Formerly held Senior Management roles at Mauritius Telecom, Cellplus Mobile Communications Ltd, Anglo African Ltd and Comviva Technologies Ltd.

4

TANVIR ADAMJEE

Head of Projects,
Real Estate Cluster

Qualifications:

- Bachelor of Science – Chemical Engineering Louisiana State University , Baton Rouge U.S.A May 1985.
- Diploma in Safety Management British Safety Council, UK Nov 1985.
- Association for Project Management APMP Examination Passed August 2004.
- Post-Graduate Certificate Business Administration University of LeicesterJuly 2011.

Experience:

- Jan 15 – To Date - Head of Projects - Currimjee Property Management and Development Ltd. – Curepipe
- Sep 11 Dec 14 – CEO Hyvec Investment Ltd. – Rose Hill.
- Nov 05 - Aug 11 – General Manager Currimjee Property Management and Development – Port Louis
- Apr 02 - Nov 05 – Director Projects Hyvec Partners – Rose Hill
- Apr 01 - Apr 02 – General Manager VIEO Industries Ltd. – Goodlands
- Nov 99 - Dec 01 – General Manager Bonair Fashions Ltd, Bonair Dye House Ltd. – Triolet
- Oct 87 - Sep 99 - General Manager Antelme Group of Companies. Royal Road Cassis, Port Louis.
- Feb 86 - Oct 87 - Technical – Commercial Engineer Forges Tardieu Ltd. – Port Louis

5

GILBERT SUNGLEE

Property Manager,
Real Estate Cluster

Qualifications:

- Diploma Chemical Sugar Technology, University of Mauritius, Mauritius.
- B-Tech (Hons) Sugar Engineering, University of Mauritius, Mauritius.
- Property Development Programme, Graduate School of Business, University of Cape Town, South Africa.

Experience:

- Property Manager, Currimjee Property Management and Development Limited since 2011.
- Former Centre Manager at Phoenix Les Halles.
- Former Business Development Engineer at Currimjee Property Management and Development Ltd.
- Former Factory Manager at Marine Biotechnology Products Ltd (Ireland Blyth Ltd).
- Former Technical Manager at Fishmeal Producers Ltd (Ireland Blyth Ltd).
- Former Shift Engineer at Mon Desert Alma Milling Co. Ltd.
- Former Design and Process Engineer and Production Manager at Mon Desert Alma Milling Co. Ltd.

6

FRANCK CHALLIER

General Manager, Batimex Ltd

Qualification:

- DUT Commerce Marketing

Experience:

- Joined the Company as General Manager in 2014.
- Holds more than 5 years' prior experience in the field of Retail & construction products.
- Previously worked for 11 years as General Manager at MC Vision Ltd (2000 to 2011).

BUSINESS LEADERSHIP TEAM

7

RAJVARDHAN SINGH BHULLAR

Chief Executive Officer, Emtel Ltd

Qualifications:

- Bachelor's Degree (Honours) Punjab University, India.
- MBA with specialisation in Marketing.

Experience:

- CEO designate in the Company from July – August 2015 and CEO as from 01 September 2015.
- Has 38 years' of working experience, of which 15 years in the Telecom Sector working for Airtel India, Seychelles, Sierra Leone and Rwanda.
- Managing Director, Airtel Rwanda.
- Formerly worked for Coca Cola and other FMCG companies and has a strong commercial background.

8

ROUBEN SOOBRAYEN

General Manager, Screenage Limited

Qualifications:

- Master in Business Administration with specialisation in Marketing – Charles Sturt University, Australia.
- Degree in "Informatique de Gestion" – Académie de Créteil, France.

Experience:

- November 2016 to date: General Manager – Screenage Ltd.
- January 2013 to October 2016: Chief Operating Officer – Screenage Ltd.
- April 2010 to December 2012: Chief Program Officer – Screenage Ltd.
- August 2007 to March 2010: Senior Manager Business Development – Currimjee Informatics Ltd.
- March 2005 to July 2007: Sales Manager – Currimjee Informatics Ltd.
- January 2003 to February 2005: Business Systems Executive – CJIT Division.
- July 1996 to December 2002: IS Supervisor – One & Only Resorts Mauritius.

9

GHISLAINE S. TCHIBOZO

*Chief Executive Officer,
MC Vision Ltd*

Qualifications:

- Masters in Finance, Paris. Lincoln International Business School, Paris, France.
- Specialisation in Marketing, University of North Carolina Wilmington, USA.

Experience:

- CEO of MC VISION since October 2015.
- Former General Manager of Multi Contact Ltd.
- Former Customer Experience Manager of Canal+ Caraïbes.
- Former Operations Manager EOS Marketing.
- Has 29 years' experience in Project Management, Marketing, Sales, Entrepreneurship, International Development as well as Leadership.

10

DINESH BURRENCHOBAY

*Managing Director, Le Chaland
Resort Village Limited*

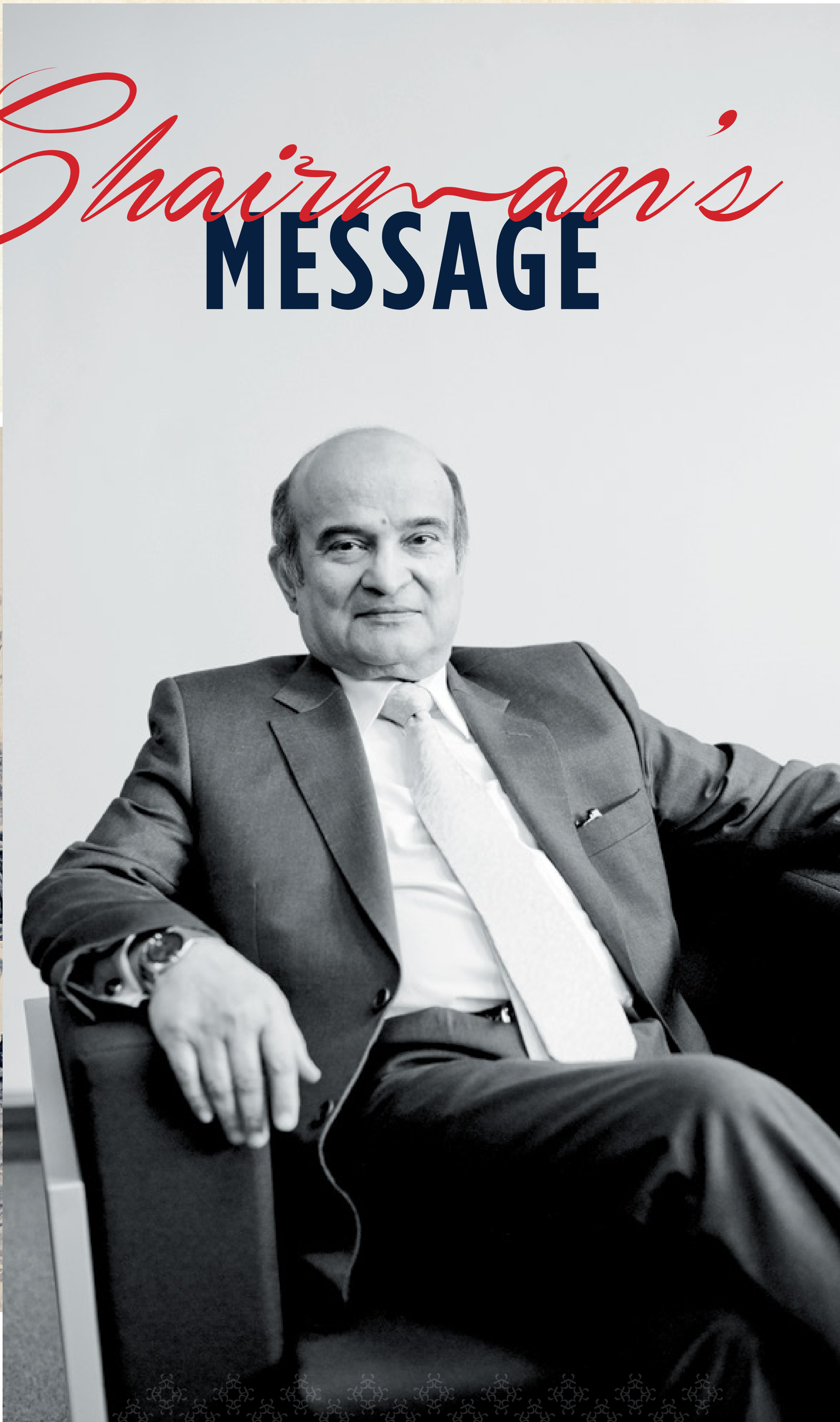
Qualifications

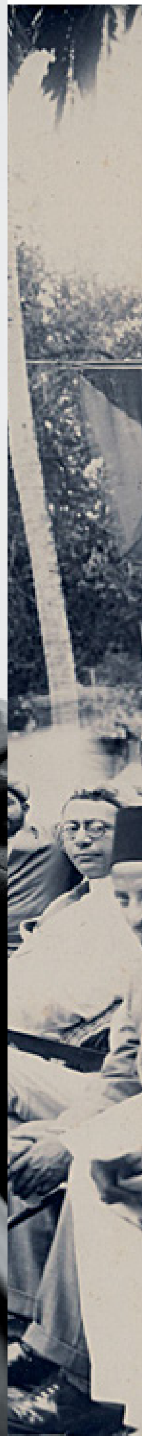
- Strategic Leadership (Executive Programme) – HEC Business School, France.
- Executive Hospitality Programme – Cornell Hotel School, US.
- BA (Hons) - Business Studies – City of London Polytechnic, UK.

Experience

- Managing Director – Hospitality cluster of CJ since April 2014.
- CEO – Veling Hospitality (Private Jets Terminal/YU Lounge) - Mauritius & St Kitts.
- COO – Veling Ltd (Aircraft Leasing).
- VP – Human Resources & Organisational Development – Air Mauritius Ltd.
- Group HR Manager – Sun Resorts Ltd / One&Only Resorts (Indian Ocean).
- Combined experience in the Hotel, Airlines and Service industries.
- Strong in Human Resources & Organisational Development, Strategy and Leadership.
- International Experience : UK, UAE (Dubai), The Bahamas, Maldives, St Kitts & Nevis.
- Currently Director of CJ Hospitality Boards and Silver Wings Ltd.
- Past Chairman of Hotel School of Mauritius.
- Past Elected Member of the AHRIM Council.
- Past Board Member of the Industrial Vocational Training Board (Mauritius).

Chairman's MESSAGE





BASHIRALI A. CURRIMJEE, G.O.S.K.
Chairman

Today, Currimjee Jeewanjee and its subsidiaries collectively employ 1,081 talented individuals while servicing more than 800,000 customers. This places a specific responsibility on the Group to ensure that we continue to invest and innovate to be able to meet our customers' expectations. Being responsible corporate citizens, the creation of sustainable value for our stakeholders and the society is also of utmost importance.

Our First Integrated Annual Report

On behalf of our Board of Directors and Leadership team, it gives me great pleasure to present Currimjee Jeewanjee's first Integrated Report <IR>. Based on the guiding principles set out in the International Integrated Reporting Council's framework, we have taken the first steps towards sharing a holistic vision of how we derive and create value for all our stakeholders.

Back in 2015, the Group celebrated 125 years of presence in Mauritius and undertook a major rebranding exercise alongside renewing our purpose and values. These set of values heavily inspired our decision to deliver our first <IR>. Our purpose ***"Together building a better tomorrow through a value-driven culture"*** is the main theme for this year's IR. I believe that this report will henceforth be an essential element of the Group's communication with its stakeholders while also providing information to anyone who has an interest in the Group's activities and performance.

This journey supported the evolution of the organisation's "Integrated Thinking" approach, resulting in more inclusive decision-making, management and reporting processes based on the connectivity and dependencies between different departments and businesses of the Group. Indeed, this has strengthened the team and will contribute to enhancing our value creation over time.

Key Business Elements

Operationally the Group has continued on its growth path, despite key challenges resulting mainly from disruptions in technological developments. This was made possible through our unwavering focus on staying ahead of the curve by investing in new technologies and our talents to continue to stay relevant in this rapidly evolving market as well as offering new products and services to meet our customers' expectations.

In line with another pillar of our strategic plan, which is diversification – and after a few years of hard-fought court cases – at the beginning of 2018 we finally launched the construction of our first coastal resort with a strong element of sustainability. The hotel is tentatively scheduled to be operational in September 2019. On behalf of the Group, I must congratulate the executive CJ and Hospitality team for their uncompromising attitude in upholding our Group's values throughout this journey – this has been one of our pillars of success.

Risk Management, Governance & Strategy

As the global economic environment remained volatile over the past year, the Board increased its emphasis on oversight of key

CHAIRMAN'S MESSAGE

risks across its business units, giving it an added significance. To ensure that management focuses on achieving success within an effective risk control environment, business opportunities are considered in the context of its associated risks. The Board, through its Audit and Risk Committee, discusses key risk issues as they arise and seeks to anticipate trends that may impact the risk profile of the Group.

By assessing strategy, we endeavour to ensure that there will be appropriate returns for the risks we've acknowledged. Our regular reviews of the quality and adequacy of risk controls, position the Board of Directors to assess management's ability to execute business strategy effectively in this rapidly changing business environment.

The foundation of our Group is based on two fundamental pillars, which are our values and governance. The Board understands its role as the custodian of sound corporate governance. In this light, we are privileged to have a very talented Board who collectively brings the right balance of skills and diversity of perspective to Board meetings. Thus providing excellent oversight of our performance and strategic direction, which enables the Group to ensure its continued resilience and creation of value.

In line with the principles of good governance, I am delighted to announce the appointment of two Independent Directors in 2018, namely Mrs Aisha Timol and Mr Karim A. Barday. Both Aisha and Karim come with years of experience and exposure in key sectors and will certainly add value to the Group through their contribution as Board members.

During the year, the Board, in addition to exercising its oversight function, was also occupied with various issues this year. The implementation of the new Code of corporate governance presented quite a few challenges. The corporate governance committee of the Board carried out a thorough gap analysis and implemented a number of measures to be in alignment with the requirements of the Code.

A couple of years ago, the group embarked on a strategic planning process based on a three-year timeframe. The Board members had the opportunity to engage with the businesses' leadership teams on off-site workshop sessions so as to better understand the development of the Group's strategies and the implementation of the various elements of those strategies. This approach enabled the Board members to engage in very productive discussions and challenge management on the development of strategies that address value creation in an ever-changing business environment.

We are cautiously optimistic about our future. In light of the uncertainties on the international front and the on-going challenges locally, we will continue our strict discipline with respect to investments and diversification of risks to enable the creation of a more balanced portfolio over time.

Sustainability

The world is facing the unprecedented impact of climate change. We need to be prepared to set the moral compass and do what is right in regards to sustainable development. We want to pave the way for a much safer world for future generations because, for us, what we have is not given by our fathers but borrowed from our children.

In 2014, the Group consolidated its engagement on sustainability by adopting an "Environment and Sustainability (E&S) Statement" that sets out its key commitments regarding the environment.

The Group will stay focused on ensuring that sustainability remains at the heart of everything that we do. We cannot afford to fail on this and we will go the extra mile to ensure that we make the right moves now that will benefit us over the longterm.

Acknowledgements

During 2018, we lost one of the most respected members of our Board, Mr Fakhruddin J. Currimjee. He has loyally served the Board of CJ for 53 years and contributed significantly to making the Group what it is today. Our Board members always valued the advice and wisdom he shared. He will be greatly missed.

On another note, I would like to thank my colleagues on the Board for their commitment to fulfilling their responsibilities and ensuring sound governance across the Group's companies.

On behalf of the Board, I would like to express our gratitude to the Executive team, under the leadership of Anil C. Currimjee, and all the employees of the Group for their invaluable contribution to the Company's performance. I firmly believe that we have an open and professional team, which helps us maintain the best of a family enterprise and the best of a modern professional organisation.

Last but certainly not least, I would like to thank our partners, shareholders and the different stakeholders for their continued engagement and support as well as our customers for their continued loyalty.

HOW DO WE CREATE VALUE *Together?*

In 2015, CJ underwent a rebranding exercise and reviewed its set of values. Our adopted purpose of *"Together, building a better tomorrow through a value-driven culture"* and the series of activities in conjuction with the organisation's initiatives that followed have reinforced the synergy across the different units of the Group.

As a result, we have a more engaged workforce geared to deliver beyond our customers' expectations and ensuring sustained value creation for our key stakeholders.

Our strategic planning process and governance systems are instrumental in allowing us to reinforce sustainable value in the medium to long term.

Please refer to CJ's business model on how the Group creates value.

(See page 58)

1.0 CAPITALS

To create sustainable value for its stakeholders, CJ focus on the following six capitals

FINANCIAL CAPITAL

A pool of funds available for CJ's use in the production of goods or the provision of services. It is obtained through financing, such as equity, debt, or generated through operations.

HUMAN CAPITAL

This is made up of our people, their capabilities, skills and experiences, as well as their motivations to work together as a team in the most efficient manner to achieve the organisational objectives within the parameters of our values.

INTELLECTUAL CAPITAL

Comprising of our brand image, technical knowledge, system and processes licences, our intellectual capital enables us to offer products and services in line with our customers' expectations all while maintaining our competitive advantage for the long-term sustainability of our businesses.

RELATIONSHIP CAPITAL

This is constituted of a business relationship based on trust. Over time, CJ has sought to engage, develop, build and protect the relationship with its business partners and other key stakeholders. Relationship capital has helped CJ to keep abreast of new developments in the business environment and new technologies that allow us to align our strategies accordingly.

MANUFACTURED CAPITAL

It is the physical objects such as building and technical and non-technical equipment used by CJ's businesses for the production of goods or the provision of services.

SOCIAL AND NATURAL CAPITAL

CJ firmly believes that the Group must act in the best interests of the environment and the society as a whole. CJ endeavours to uphold this responsibility through partnerships with various NGOs and other community members.

Natural capital comprises of the renewable and non-renewable environmental resources, used by our businesses for the production of goods or the provision of services. It includes water, land and location (beachfronts and other natural landscapes).

HOW DO WE CREATE VALUE TOGETHER?

2.0 OUR CORPORATE OFFICE

Our Corporate Office is an essential component of CJ's value creation process and is mainly responsible for:

- **upholding the Group's vision, mission and values, driving the strategic planning process and review of performance;**
- **defining policies, systems and procedures;**
- **maintaining a rigorous risk management system;**
- **ensuring sound corporate governance;**
- **providing support to the various businesses;**
- **managing shareholder and partner relationships and, driving key organisational initiatives across the Group.**

To deliver on the above, we have structured our Corporate Office as follows:

> CORPORATE FINANCE

The Corporate Finance department collaborates with the subsidiaries in a number of areas.

The department is responsible for the smooth running of the Group's yearly strategic planning process. Since 2018, CJ has implemented a formal 3-year strategic plan, with the involvement of the Group's business units, that will help them evolve towards a more medium-term focus.

The department is responsible for setting the standard for all accounting systems and procedures along with policies on various processes that should be followed by all the companies within the Group. It also ensures its compliance across the organisation through regular assurance exercises.

On the financial reporting side, the department is responsible for helping management to make informed decisions with regards to projects and transactions by providing timely and accurate financial information. It also prepares quarterly and yearly consolidated accounts for the Group, coordinates the entire management information system (MIS) of the CJ Group on a periodic basis as well as its communication to CJ's directors and shareholders.

Additionally, assistance is given to the subsidiaries on project finance issues, such as securing debt financing by working together to enhance the applications and interaction with lenders.

The department is also responsible for the IT infrastructure and systems management for the company and some of its subsidiaries on a shared service model. By the end of 2018, the department had successfully implemented a private cloud system for the CJ Group.

> HUMAN RESOURCES

CJ employs 1,081 people. The Human Resources department at our Corporate Office is mainly responsible for ensuring that all the business units are aligned in their management of human resources with respect to policies, standards, systems and processes.

The department is also actively engaged in managing the Group's talent pool through an on-going group-wide leadership and development program. In order to ensure business continuity across the Group, the department has developed a succession-planning program for key positions within the Group. The performance appraisal system of the Group is another tool that is spearheaded by the department. To consolidate the Group's harmony among team members and help build employee engagement, the department drives numerous engagement initiatives.

This has enabled the CJ team to experience the Group's values first-hand through their multiple interactions.

> COMMUNICATION AND MARKETING

The Communication and Marketing department of the Corporate Office is responsible for defining and implementing internal and external communication strategies, as well as managing the corporate brand.

With precise objectives to promote our purpose, values and brands, cultivate togetherness and unity as well as create synergy across the Group, the department drives many internal initiatives. These include the publication of a quarterly internal magazine "CJ News", the creation of the Group's intranet (Together Currimjee) and the organisation of some events for the Group's employees.

On the external communication front, the Communication and Marketing department is responsible for PR, crisis communication protocol, corporate advertising, management of the corporate website, the organisation of events and sponsorship of arts and culture activities.

This department has also actively contributed to the creation of "Le Nénuphar", CJ's co-working space and regularly collaborates with subsidiaries on branding and special projects.

> LEGAL

The Legal department offers support to CJ and its subsidiaries with regards to legal, regulatory and compliance matters. Together with our external lawyers, it ensures that our legal interests are safeguarded.

> INTERNAL AUDIT AND RISK MANAGEMENT

The Internal Audit department is headed by the Chief Internal Auditor and is staffed with qualified personnel and certified internal auditors. It operates in line with an Internal Audit Charter and adopts a risk-based methodology that enables it to provide assurance on controls that address high-risk areas.

CJ has implemented an Enterprise Risk Management (ERM) framework based on the internationally recognised COSO framework since 2009. This department is responsible for providing assistance to CJ, and its subsidiaries in the implementation of a risk management system and the maintenance of their risk register on an on-going basis.

> QUALITY AND SUSTAINABILITY

The Quality and Sustainability department devises and implements best practices and efficient systems with regards to the Quality, Environment and Sustainability for CJ Group.

The department ensures the implementation, training and certification of our key companies' processes and their application of the international quality system, ISO 9001.

The department develops and implements CJ's Environment & Sustainability Statement which defines CJ's and its subsidiaries' commitments and objectives. This charter is formally approved by CJ's Board of Directors. The corresponding main responsibilities of the department are to:

- promote and enhance key internal and external environmental projects;
- drive, monitor, and review of environmental and sustainability policies and initiatives;
- evaluate and publish the Group's sustainability performance as per the international Global Reporting Initiative (GRI) Standards.

> SECRETARIAL

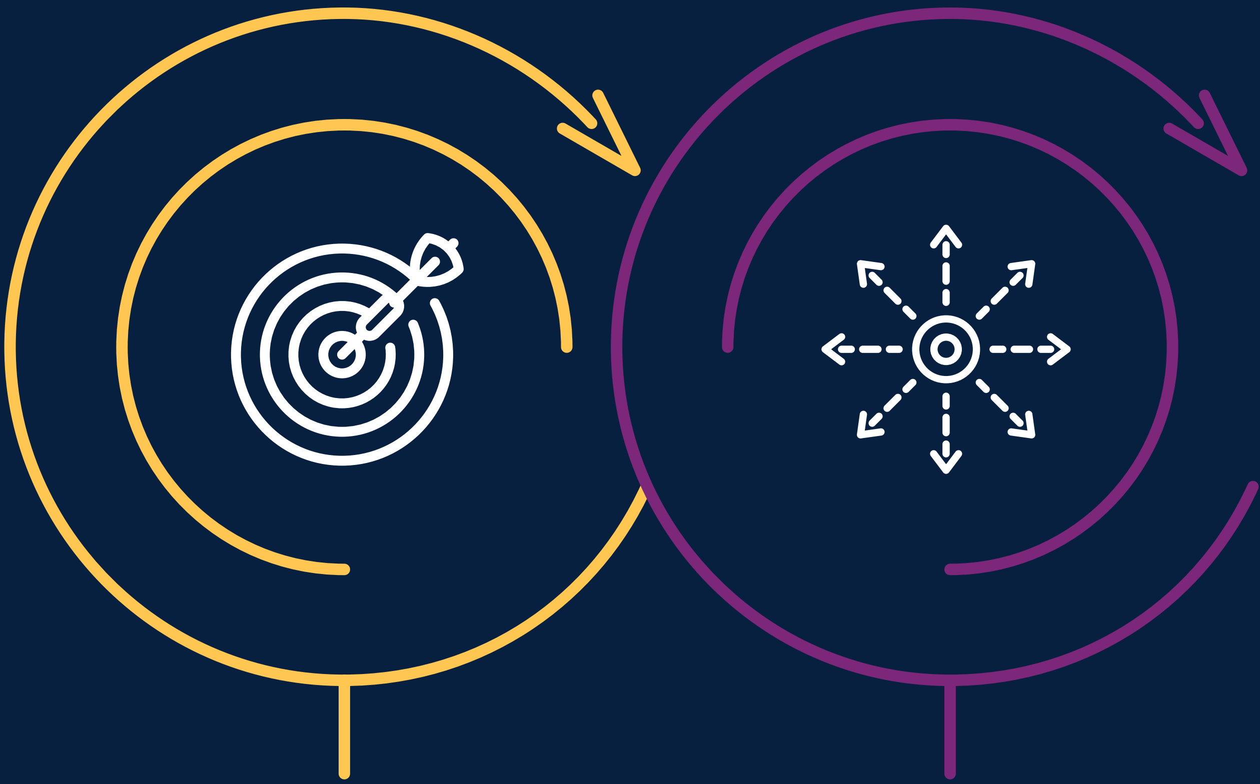
The secretarial needs of the Group are being addressed by Currimjee Secretaries Ltd, a wholly owned subsidiary of CJ.

> CURRIMJEE FOUNDATION

Incorporated in November 2009, the Currimjee Foundation (CF) is the vehicle through which the Group's Corporate Social Responsibility (CSR) projects are managed and monitored. The objective is to ensure a focused and coordinated approach to CSR while leveraging on the management resources of the different business units and providing maximum employee participation and involvement.

The Foundation funds initiatives which fall under different intervention areas such as health, education, training, leisure and sports, environment and socio-economic development in partnership with a number of NGOs.

STRATEGIC Direction



FOCUSED PORTFOLIO

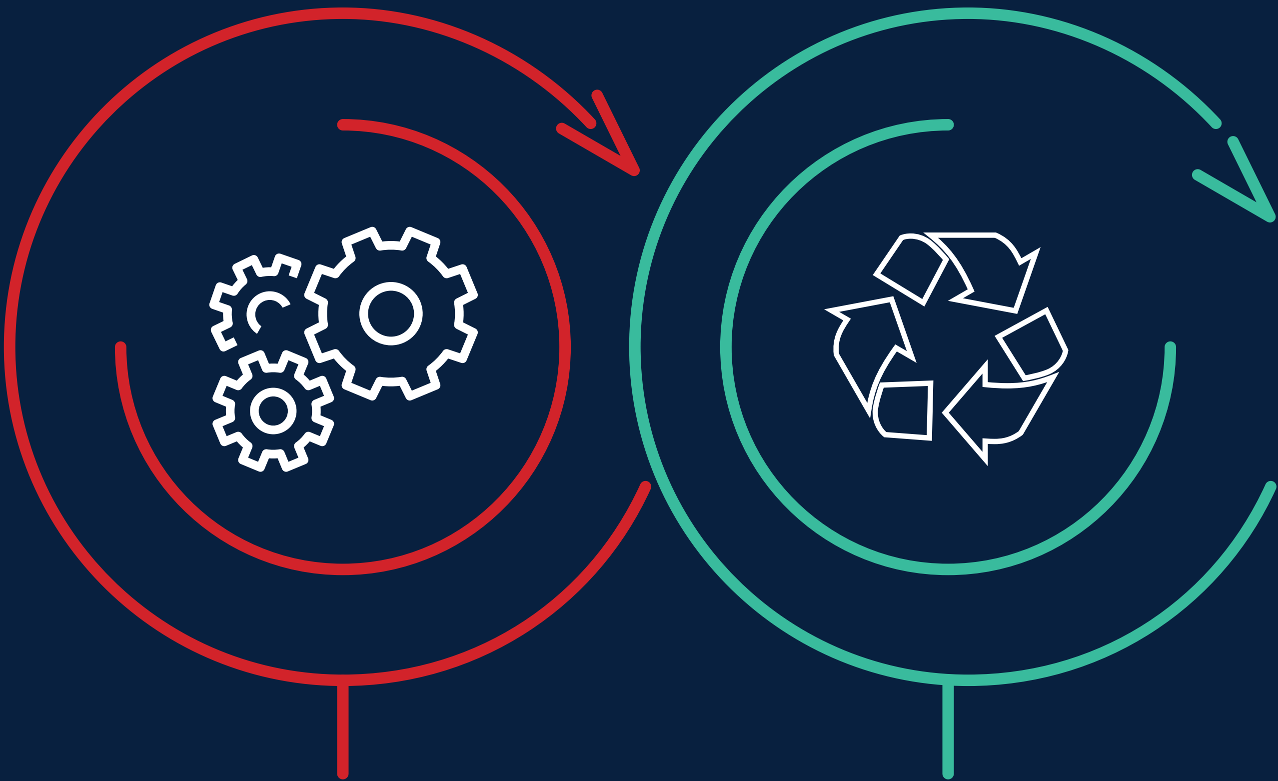
Repositioning CJ's businesses mainly through review of its portfolio

- Aligning our products and services with customers' expectations in Telecom and Media businesses.
- Exiting from non-core businesses.

RISK DIVERSIFICATION

Addressing risk concentration through diversification of our business portfolio

- Address disruption in telecom/ media industry through a convergence strategy and new product segments at both Emtel and MC Vision.
- Build a new income stream through a phased hospitality development.
- Develop real estate asset base and improve rental yield.
- Restructure and reduce debt through the realisation of identified assets and addressing the risk concentration at the holding level.



OPERATIONAL EFFICIENCY

Build organisational strength and achieve optimum operational excellence by

- Building a strong and united team with a common vision, integrated thinking and high engagement through human resource policies and communication.
- Aligning and improving the efficiency of corporate functions and implementing a group-wide shared services program.
- Achieving enhanced efficiency through the integration of digital technologies into our business processes.
- Focusing on improving customers' experience through the development of a group-wide customer-centric culture.

SUSTAINABILITY ELEMENT

Create long-term stakeholder value through

- The implementation of business strategy with a sustainability element and
- make sustainability an integral part of product offerings to clients.

Our CLUSTERS


TELECOMS, MEDIA AND IT
ENERGY
TOURISM AND HOSPITALITY
COMMERCE AND FINANCIAL SERVICES
REAL ESTATE

Telecoms, MEDIA & IT

Telecoms, Media and IT (TMIT) cluster activities cover Telecommunications, Pay TV, Information Technology Enterprises Services (ITES) and Call Center activities.

At the end of 2018, CJ decided to curtail its Call Center activities and outsource the same to other operators.

The cluster's strength and competitive advantage lies in the convergence of products, services and teams. As such, the teams across our 4 companies collaborate to offer a single window approach to individuals and corporates. We continue to innovate converged products and services for individuals and corporates. Our four companies have very strong market positions in their own respective segments. Each company through high investment in technology, IT infrastructure and people is also strengthening its position.

Emtel Ltd

Emtel Ltd (Emtel) started operations in 1989 and was the first mobile operator in the Southern Hemisphere. With the help of Huawei, our technology partner, we were also the first network to offer 3G in Africa and 4G in Mauritius. Today, Emtel has evolved into a fully integrated telecommunications company offering mobile, enterprise, broadband and data centre services amongst others.

The company is 75% owned by CJ and 25% by the promoters of Bharti Airtel – which is a global telecommunications company with operations in 20 countries across Asia and Africa.

Each of our 361 talented workforce proudly carries the Emtel and Airbox brands – which today service over 650,000 individuals, homes and enterprises.

Emtel continues to invest heavily in technology infrastructure. Over 400 telecom sites are delivering 4G. Emtel also operates a state-of-the-art tier-3 Data Centre in Terre Rouge and has shareholding in various undersea cables consortia. Our fibre cable infrastructure runs almost 300 km across Mauritius and remains a focus area for investment. On the IT front, there is also continuous heavy investment in our people, infrastructure and services. Together, these investments are paving the way for 5G.

The telecom environment is rapidly evolving with the advent of over-the-top applications and changing behaviours. We believe that continuous investment in infrastructure, digitalisation and with a focus on convergence of services will differentiate us from other players (Mauritius Telecom and MTML) in the sector.

MC Vision Ltd

MC Vision Ltd (MC Vision) is the leader in digital pay TV in Mauritius serving over 120,000 households. The company is majoritarily owned by CJ with French Group Canal + being a major shareholder and strategic partner . Other shareholders include La Sentinelle Ltd and the Mauritius Broadcasting Corporation (MBC).

The company broadcasts linear TV as well as on-demand content across different platforms (satellite and OTT) and to different devices – TV, tablets and mobile. The company also markets home broadband in partnership with Emtel.

With over 100 channels, MC Vision covers Hollywood, Bollywood, Sports and Entertainment – including premium content and also has rights over exclusive channels such as Canal+ and Zee. Other players in the space include Mauritius Telecom, Parabole and DSTV.

MC Vision's focus is to aggregate exceptional content in all forms across various platforms and available across devices.

Currimjee Informatics Limited

Currimjee Informatics Limited ("CINF") is 100% owned by CJ. It is a leader in Business Intelligence and Financial Consolidation solutions focusing on large enterprises requiring corporate solutions. With a strong talented team, it also offers infrastructure and project management services. Its main partners are IBM and Microsoft.

Screenage Limited

Screenage Limited ("Screenage") is 80% owned by CJ. It is the market leader of interactive media and connectivity services to the hospitality sector in Mauritius. It also provides structured cabling and CCTV services across all sectors in Mauritius. Screenage's main partners are Hoist and HP.

Multi Contact Limited

Set up by MC Vision and CJ to service internal partner needs in the field of customer relationship management, Multi Contact Limited ("Multi Contact") specialises in the outsourcing of customer relations. It has almost 200 call centre agents focusing on serving mainly group clients.

In late 2018, CJ decided to curtail this operation and outsource its needs to other operators. This arrangement is being implemented by the first half of 2019.

Please refer to page 60 for TMIT business model.

REAL Estate

The Real Estate Cluster provides asset management and development services to the investment properties owning companies of the Group. These properties owned by different companies within CJ are classified as developed properties, partially developed properties and land assets in major locations.

The cluster is committed towards attracting reputable tenants, providing a lasting customer experience, optimising yield whilst preserving the historical aspect of buildings where relevant and also bringing a contemporary touch to them. It has over the past 5 years successfully refurbished some historical buildings such as Arcades Currimjee (built in 1912) together with buildings in Port Louis and also repositioned Phoenix Central building into offices in a prime location.

It also fully adheres to the Currimjee Environment and Sustainability Charters (please refer to https://www.currimjee.com/documents/CJ_E&S_Statement.pdf) in the management of existing properties as well as in the design and concept of new developments and refurbishments.

Below is a breakdown of the investment properties of the Group in its different categories but excludes the freehold land at Le Chaland, classified under Tourism and Hospitality cluster and identified for integrated resort development. It also excludes property assets owned by Island Life Assurance Ltd.

PROPERTY DESCRIPTION (MURM)	2017	2018
DEVELOPED PROPERTIES	814	**868**
PARTIALLY DEVELOPED PROPERTIES	173	**184**
LAND ASSETS	536	**540**
TOTAL PROPERTY VALUE	1,523	**1,592**

Please refer to page 62 for Real Estate cluster business model.

Tourism & HOSPITALITY

CJ has historically been present in the Tourism sector as GSA for Singapore Airlines and through its investment in its IATA accredited travel agency, Silver Wings Travels Ltd. The latter has been in operation since 1984 and is currently ranked in the top 3 travel agencies of Mauritius as per the Air Mauritius annual sales report.

CJ's major investments in the Hospitality and Tourism sector is made up of the Group's first integrated coastal resort development, made up of the Anantara Le Chaland Hotel and a residential real estate component. This investment is structured through Le Chaland Resort Village Ltd (LCRVL).

Mission and Vision

HOSPITALITY	RESIDENTIAL REAL ESTATES
↓	↓
TO BUILD A SOLID HOSPITALITY BUSINESS WITH A PRIMARY FOCUS ON A STRONG DOMESTIC AND REGIONAL BASE.	TO CARVE A NICHE IN THE DEVELOPMENT OF INNOVATIVE AND SUCCESSFUL HOSPITALITY LINKED RESIDENTIAL REAL ESTATES IN MAURITIUS.

Our Mission is to create value for all stakeholders by combining local and international expertise, strong brands and innovative guest experiences for hotel guests and residential owners in a unique coastal setting. Our Vision is based on developing a solid hospitality business, through the ownership of hotels and development of residential real estate projects, in line with CJ's diversification strategy.

Sustainability at the core

At the core of all our projects and in line with CJ's values, sustainability is an integral part of our decisions linked to the deployment of our strategy. Our overall aim is to celebrate the beauty around us and to develop projects that function in harmony with the natural environment. We promote an elegant way of living that combines responsibility, conservation, rejuvenation and sustainability. We want to develop places where living in style is as important as the nature that surrounds us. Right from the start of the design and planning of our projects up to the materials that we select (natural and recycled), from the indigenous landscaping that is integrated in our projects, including the sand dune rejuvenation project on site, to the various natural resources saving initiatives put in place, we will bring our vision to reality.

The Hospitality Team

The Hospitality cluster is made up of a closely-knit team of passionate, goal-driven and seasoned professionals with local and international backgrounds in Hospitality, Engineering, Asset Management and Project Management. The team works closely with CJ's functional corporate teams in the implementation of projects under their responsibility.

The Hospitality team has the following 3 core parameters at the heart of all of its projects:

- strict project cost monitoring;
- quality and standards of products delivered;
- timely delivery.

TOURISM & HOSPITALITY

Our Unique Location

Fundamental to the development of our projects is the important choice of our location. For the forthcoming projects, the land is situated in an area of unparalleled beauty.

Set on the southeast shores of our tropical island, it covers 96 arpents (65 arpents of freehold land and 31 arpents of leasehold land) with an 800 m stretch of pristine beach. It is home to landmarks of great historical and cultural significance, such as the naval museum, the Ferney valley, the Blue Bay Marine Park and Christine Vallet natural palm forest.

Our projects will celebrate the beauty around us.

Current Projects

2018 was a key year for the Hospitality cluster as it was able to kick off the construction of the hotel project following emphatic victories at the Environment and Land Use Appeal Tribunal and the Supreme Court of Mauritius. Over the years, the positive judgements of these legal cases were obtained as a result of scientific facts and expert representations in environmental science supporting all the permits and clearances obtained, paving the way for the start of the hotel project. These facts highlighted the various false claims made by project's antagonists over time.

Phase 1

HOTEL PROJECT

The construction of the first Anantara Resort (www.anantara.com) in Mauritius started on 16 January 2018 and is expected to be completed by end July 2019.

Minor Hotel Group (www.minorhotels.com), an award-winning and acclaimed hotel group listed on the Bangkok Stock Exchange, will manage and operate the hotel under the terms of their Management contract. The hotel project is completely managed by the Hospitality team together with a team of consultants.

Anantara Resort, Mauritius
(opening last Quarter 2019)
King room

The 164-key hotel and suites and 8 Villas (1st Qtr 2020) will have a number of world-class facilities, as follows:

- all-day dining overlooking the ocean;
- private dinners in the wine cellar;
- two bars, one poolside and one facing the beach;
- seafood, grilled delicacies and fresh food in the beach speciality restaurant;
- a healthy, wellness-focused cafe
- 30-meter ozone based infinity pool;
- library and retail shop ;
- kids club;
- Anantara Spa;
- fitness centre;
- non-motorised water sport, including glass-bottom, kayaking and snorkelling.

With an investment cost approximating of Rs 2 billion, the hotel is expected to be opened for its first guests in the last quarter of 2019.

In line with our values, the Hotel project fully integrates sustainability initiatives such as:

- heat recovery from VRV system;
- water disinfection in swimming pools using Ozone;
- regenerative drives in all lifts;
- Solar and LED lights across the property;
- sewer treatment plant which will also serve the public beach and National Coast Guard Training centre;
- water re-used for irrigation and cleaning;
- design to encourage natural lighting;
- ban of the use of plastic straw at hotel;
- a number of recycled items in the rooms and design of the hotel.

ANANTARA VILLAS

(completion in first quarter of 2020)

As part of Phase 1 of the project, 8 high-end luxury Anantara Villas will be added to the hotel project in the course of 2020. A mix of 2-bedroom and 4-bedroom villas, sold to financial investors under an approved PDS scheme, will be part of the hotel room inventory. Eight IKO Villas Ltd (100% owned by LCRVL) is the PDS company set up for the eight high-standing villas developed over 1.8 arpent of freehold land.

The project will be managed and implemented by the LCRVL team together with local and international real estate professionals.

This is an approved project by the Economic Development Board under the Investment Promotion (Property Development Scheme) Regulations 2015.

Rendering of future villas.

TOURISM & HOSPITALITY

Future Phases

Phase 2

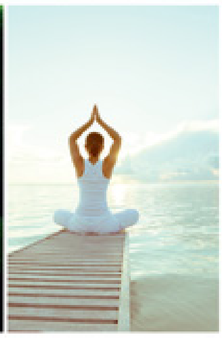
RESIDENTIAL REAL ESTATES

A further 32.7 arpents of freehold land of the total 65 arpents has been earmarked for a mixed-use residential development under a PDS scheme. This project, which is in its final planning phases, will be deployed over the period 2020-2021. The remaining 32.3 arpents of freehold land will be subsequently developed as part of future phases.

Our Brand

Our brand, to be launched in 2019, was developed together with award-winning branding agency Eight Partnership (Hong Kong). Also known as “IKO Mauritius”, the unique brand has been carefully crafted to envision a world-class, mixed-use hotel and residential development with owners and guests enjoying refined coastal living. It aims to be exclusive while taking the experience of owning a residential property in Mauritius to another level. In line with our objectives, the brand has been designed to communicate the unique characteristics of our development under 4 brand pillars, while placing sustainability at the heart of our actions.

Our brand DNA is substantiated, i.e. 'made true' by the following support pillars. They form the core secondary ideas that support the brand.



Design

We believe in the lasting power of design, style and elegance as true differentiators. We create the great resorts of today and tomorrow. Natural, warm and contemporary.

Eco

Sustainability is a way of life. Not a feature. We're not just neutral, we are positive. We do not merely affix or tack on, we integrate. We champion smart and sustainable lifestyles.

Haven

We create a haven for an active and healthy lifestyle, with rejuvenating activities, nutrition and services. We deliver re-creation in the original sense: refreshment of body and mind.

Community

We manage environment, content and service to foster a thriving community. An open, village-like setting without barriers and with reasons for people to come together and interact.

Our Involvement in Society and Local Communities

Organic farming certificate ceremony in Plaine Magnien for local planters

Our projects aim to create sustainable communities in our neighbourhood while engaging with them on a regular basis throughout and after the completion of our projects. This takes place through sensitisation programmes with the local communities through:

- An MOU signed with Currimjee Foundation, LCRVL and REEF Conservation around the protection and sensitisation of the neighbouring lagoon and the Blue Bay Marine Park.
- Working closely with Mauritius Wildlife Foundation (MWF) around the protection of endemic flora and fauna.

This has set the base for close collaboration with these renowned NGOs and awareness will be raised within the local community, as well as among the general public and hotel guests.

In order to assist the local planters in the region, up to 30 planters in the vicinity of our projects have been carefully trained and certified in methods of organic farming while retaining them as part of the supply chain of the future hotel.

Furthermore, we will also engage with the local community through career fairs, recruitment and training to enable them to be inherent parts of our projects while providing opportunities for the future generations.

We have further enhanced, the public beach at La Cambuse through the repair and construction of new kiosks, a better car park, as well as the installation of solar lights that allow the public at large to enjoy the beach in security. A plastic bottle recycling bin has been installed to reduce plastic bottle litter on the beach, while REEF conservation through their “Bis La Mer” has organised educational awareness days for the public. They also plan to install a public educational sign at the Blue Bay Marine Park to sensitise users of this beautiful region.

We also strongly believe that IKO Mauritius is not just a place where people come together and interact but also a community in itself.

Commerce & FINANCIAL SERVICES

The Commerce and Financial services cluster activities in 2018 included Batimex Ltd, Cheribinny Ltd, AMC Ltd and Island Life Assurance Ltd.

Batimex Ltd and Cheribinny Ltd

Batimex Limited started operation in 1954 as the building material department of Currimjee Jeewanjee and Co Ltd and is today the oldest business activity in CJ. The company specialises in the provision of building material finishes such as tiles, floor coverings, sanitary ware and fittings.

Upmarket products are sold at the Batimex retail showrooms in Port Louis and Phoenix. The key brands represented include Grohe, Marazzi, Imola, and Villeroy & Boch – amongst others. A more accessible range of products – including its own Dura brand for sanitary accessories is sold through the Metric retail showrooms with locations in Port Louis, Flacq and Curepipe.

The environment remains highly competitive and tied to the construction industry cycle.

Cheribinny Ltd has been a pioneer in consumer credit financing. After several successful years of providing "hire purchase" financing to Mauritian families, the Company decided to curtail its activities due to unfavourable regulatory conditions imposed on credit financing. The activity of providing financing services to non-group entities ceased in 2016 and as of 1 January 2019, the Company's operation was absorbed by Batimex Ltd and now finances only the latter's clients. This has resulted in a more focused and efficient operation.

AMC Ltd

AMC Ltd is a leading supplier of quality cookware in Mauritius and globally recognized as a leader in the field of premium stainless steel cooking systems. As part of CJ's strategy to reduce its non-core activities, a management buyout of the Company was completed on 31 December 2018.

Island Life Assurance Co Ltd

ILA, to date, has more than 33 years of experience in selling life assurance and pension products in the Mauritian market. The company offers a wide range of products for individuals as well as corporates and its product portfolio includes Investment plans with competitive bonuses, Cash back policies, Educational policies, Pure risk covers (Term policies) and Secured loans for housing & other purposes.

On the corporate front, ILA offers group life assurance and pension administration services.

ILA's life insurance products are offered to the general public through its agents as well as through its direct marketing arm that is geared to respond to the client's needs.

ILA unveiled its new logo in July 2018 followed by the launch of its new signature Port Louis branch at Sir William Newton Street. The rebranding exercise is now fully completed which will strengthen the company's base to target the middle to high end of the market.

Commerce (MUR'000)*	2018	2017
Revenue	**269,550**	253,163
Operating profit/(loss)	**(5,487)**	4,349
Workforce in units	**114**	115

ILA (MUR'000)	2018	2017
Total revenue	**422,514**	330,691
Life Fund	**1,014,357**	877,556
Workforce in units	**37**	49

*The above KPIs include figures from Batimex Ltd, Cheribinny Ltd and AMC Ltd.

ENERGY

The energy sector is directly linked to well-being and prosperity of a country. The Group's venture into this sector started back in 1986 with its association with the French company Elf, with an operation focused on storage and bottling of LPG. This investment was later restructured into a shareholding in Total (Mauritius) Ltd and a much wider oil & gas operation.

Building on our experience in this sector, CJ, together with couple of other partners with years of experience in this industry, invested in an operation in Mayotte in 1996.

TOTAL MAURITIUS LIMITED

CJ owns 25% of Total (Mauritius) Ltd, one of the largest energy companies in Mauritius.

Incorporated in May 1956, Total Mauritius Ltd, a subsidiary of Total S.A, holds one of the widest retail network in the country with 46 service-stations. It supplies fuels, lubricants and Liquefied Petroleum Gas (LPG) to various sectors of the Mauritian economy, namely, agriculture, manufacturing, textile, hotels and restaurants, construction, transport, electrical power stations, aviation, bunkering and the public sector.

CEEJAY GAS LTD

CJ owns 33.33% of Ceejay Gas Ltd. Established in 1996, the Company, alongside its two operating subsidiaries, is engaged in the procurement, storage, bottling and distribution of retail and bulk gas in Mayotte. It has today become a dominant player with 90% market share in this growing market and is the only player to be totally vertically integrated and to own a gas bottling unit.

ENERGY MUR'000	2018		2017	
	TOTAL	CEEJAY GAS	TOTAL	CEEJAY GAS
TURNOVER	8,068,773	322,193	6,615,445	297,243
NET PROFIT AFTER TAX	181,684	31,563	173,776	36,803


GAS

Our BUSINESS MODELS

Together building a better tomorrow through a value-driven culture

CJ'S BUSINESS MODEL

5 values at heart: Foresight, Integrity,

INPUT - OUR CAPITALS TO CREATE VALUE

Financial capital
- Shareholders fund
- Debt

Human capital
- Our team

Intellectual capital
- Currimjee branding
- Our subsidiaries branding
- 129 years of serving Mauritius
- Our investment in system and processes
- Our Values

Relationship capital
- Relationship with our business partners and key stakeholders
- Sustained engagement with government and regulators

Manufactured capital
- Fixed assets – buildings, IT systems and technical & non-technical equipment

Social and Natural capital
- Our social engagement with the community at large
- Freehold and leasehold land in prime locations

OUR IDENTITY AND HOW WE CREATE

WHO WE ARE?
A family-owned business founded by the Currimjee Family with 125 years of existence. The business is structured on sound governance principles and managed by a very diverse and talented pool of executives.

OUR PURPOSE
Together building a better tomorrow through a value-driven culture.

OUR MISSION
- Through our continuous commitment to our people, progress and strong values, we will continue to lead the way;
- We are a proudly Mauritian organisation with rich heritage of entrepreneurship and foresight, ever learning from our past to build something better for today and for the generations to come.

OUR 5 CLUSTERS
- Telecom, Media and IT, Real Estate, Tourism and Hospitality, Energy and Commerce & Financial services.

OUR ACTIVITIES TO CREATE VALUE ARE:
- Defining investment portfolio of the Group.
- Managing our corporate office services. Whilst we believe that our subsidiaries will achieve higher operational excellence by operating independently, CJ reinforces organisational effectiveness by extending corporate services on a shared service model to its subsidiaries.

THE KEY AREAS ARE
- Human resources
- Communication
- Strategic planning, IT Finance and Accounting
- Legal and Secretarial
- Risk Management and Internal Audit
- Sustainability
- Corporate Social Responsibility

Our stakeholders within

VALUE FOR THE GROUP

HOW WE CREATE VALUE THROUGH OUR STRATEGY:

- Our system of governance – being a Public Interest Entity (PIE), we endeavour to meet the highest standard of sound corporate governance. CJ ensures that corporate governance is given the upmost level of importance at the holding company so as to enable a smoother adoption by its subsidiaries.
- Investment in our businesses to build resilience.
- Engaging with our people on an ongoing basis and building their talent – to deliver more effectively and efficiently.
- Making an impact – we choose to be in businesses which makes us relevant and help us to create value over time.
- Strategic partnership – we chose to partner with reputable companies to deliver more efficiently to our customers.
- Customer-centric organisation – focusing on improving customers' experience through the development of a group-wide customer-centric culture.
- Operational excellence through digitisation of our system and processes and optimisation of our resources. We aim to operate in the most efficient manner for our people and customers.
- Our legacy to the next generation – we act responsibly with respect to the conduct of our businesses within acceptable norms for protection of our natural resources and aim to eliminate all possible negative impact on the environment.

OUTPUT AND OUTCOMES

Financial capital

Page 66 (reference to our capitals section)

- Reasonable and maintainable return to shareholders
- Targeting to achieve a sustainable level of debt (optimal gearing level)

Human capital

Page 69 (reference to our capitals section)

- Talented and engaged people
- Low level of attrition
- Agile and mobile workforce
- Among the top employer of choice
- Creating opportunities for our people

Intellectual capital

Page 73 (reference to our capitals section)

- Distinctive brand identity
- Our robust and sophisticated systems and procedures to enable us to extract value in a sustainable manner
- An effective governance system across the Group
- Value-driven leadership and culture

Relationship capital

Page 74 (reference to our capitals section)

- Constructive relationship based on respect and trust with our key stakeholders
- Mutually beneficial relationship with our business partners
- A lasting and trusting relationship with our customers

Manufactured capital

Page 77 (reference to our capitals section)

- A comfortable and efficient working environment at CJ together with our coworking space at Le Nénuphar. This will promote more beneficial collaboration between our people and functions
- The Group has invested in its building assets, network and equipment that contributes to the enhancement of value delivered to its stakeholders

Social and Natural capital

Page 78 (reference to our capitals section)

- Reducing our overall impact on the environment Value creation in the community at large through partnering with NGOs of reputation
- Sponsorship of environmental NGOs building towards preservation of our natural landscape for future generation and to promote sustainability
- Contribute towards specific poverty alleviation projects
- Sponsorship for art and culture

TMIT BUSINESS MODEL

INPUT - OUR CAPITALS TO CREATE VALUE

Financial capital
- Equity: MUR1,242M (2017: MUR1,389M)
- Net debt: MUR547M (2017:MUR550M)

Human capital
- Engaged employees (41 managers, 516 staff and 12 operatives): 569 (2017:563 employees)
- Investment in training: MUR9M (2017:MUR8M)

Intellectual capital
- Emtel: ISO27001:2013 (Data Centre) certified and ISO9001:2015 certified
- MCV: ISO 9001: 2015 certified
- Our brands : Emtel, Airbox, Canal +, Play, Zee
- Long term partnership: Airtel, Canal +, Hoist and Zee
- Serving the Mauritian B2B and B2C markets over the last decades
- Robust governance, systems and processes that foster innovation and growth
- Telecom operating license at Emtel and broadcasting licenses at MCV
- Certified Technical Specialists

Relationship capital
- Our trusted relationships with our stakeholders; which are made up of our partners: Airtel, Canal + and Hoist, Huawei, our customers, industry operators, our suppliers, regulators, investors and the community at large
- Subscribers (mobile, internet and Pay TV): 795,754 (2017:747,765)
- Business customers: 2,228 (2017:1,653)
- Our showrooms: 40 (2017:38)
- Our distributors: 23 (2017:28)

Manufactured capital
- The key businesses of the cluster are highly dependent on infrastructure assets and broadcasting systems. We allocate substantial financial capital for the purpose of maintaining and upgrading our assets base in order to enable us to maintain our competitive advantage.
- PPE: MUR2,634M (2017:MUR2,457)
- Capex additions: MURM839M (2017:MUR539M)
- One World Class Tier 3 Data Centre and Disaster Recovery Centre
- 2 submarine cables
- Domestic fibre: 294Km (2017:226Km)
- Network sites (2G/3G/4G): 416 (2017:409)
- 7 satellite transponders (33MHz each)

Social and Natural capital
- Our engagement towards building a better tomorrow cannot be abstracted from our responsibility towards the society. We work together with a number of NGOs to address various societal issues pertaining to health, sports, education, poverty, etc...
- Our different operations require substantial amount of energy. We aim to address this by working towards greater efficiencies in our energy usage and hence minimise our impact on the environment.
- Electricity used (MW): 2,700 (2017:2,605)
- Fuel/Diesel (litres): 220,688 (2017:254,307)
- CSR expenditure: MUR19.5M (2017:MUR14.4M)
- 6 bands of spectrum assets (900MHz, 1800MHz, 2100MHz,3500MHz, 4800MHz and 10000MHz) for EMTEL

OUR IDENTITY

WHO WE ARE?

Please refer to Brief on TMIT as set out on page 42 for more details on the companies within the cluster.

For the purpose of this cluster model, we have excluded all KPIs pertaining to Multi Contact Ltd. By and large Emtel & MC Vision are the key businesses of this cluster in terms of size.

Our vision remains to provide unparalleled opportunities by being at the forefront of digital transformation through leveraging our investments in technical & IT infrastructure and our talented team members.

The foundation of our strategy is built on four pillars:

- leading-edge technical infrastructure;
- IT infrastructure and digitalisation;
- customer centricity; and
- talent management and development.

Our deep knowledge of the industry, years of experience and our lasting strategic relationships together with our four pillars enable us to maintain our competitive edge through innovative products and services.

Technical

Customer centricity

OUTPUT AND OUTCOMES

VALUE CREATION

HOW WE CREATE VALUE THROUGH OUR STRATEGY?

Growing our TMIT cluster

Disruption in both the Telecommunication and Media industry led by tehcnological change and customer habits, have severly impacted traditional revenue streams. Existing business models are being put into question and traditional revenue streams are under pressure or decreasing. But the upheavals also provide opportunities in terms of new products, new services and new markets in both the B2C and B2B segments.

In line of the above evolution and market requirements, the TMIT cluster strategy is centered around the following main directions:

- Constantly investing in upgrading our technical infrastructure and staying ahead of the curve whilst at the same time ensuring the monetisation of our investments.
- Build on our investment in IT systems and software.
- Invest in digital innovation and in customer-facing assets and systems to provide a seamless and integrated experience to our customers.
- Invest in building an engaged and talented workforce with new competencies and agility to meet the evolving customer challenges and opportunities.
- Improve in organisation effectiveness through a more flexible organisational structure, enhanced digitisation of key processes and cluster-wide adoption of shared services in relevant functional areas.
- Create awareness, consolidate cluster products and build a unified multi-skilled team to address customers with a common go to market approach and thereby improve on the cluster product and services offerings.
- Leverage on our investment in the state of the art data centre infrastructure to target opportunities in the B2B segment by offering managed services solution, cloud and security offerings.
- Stimulate data market by focusing on new products in both the fixed and wireless segment.
- Grow our linear Pay TV subscriber base through improvement in our premium, exclusive content offering and upgraded equipment.
- Focus on digital and technological innovation on products and customer-facing developments to drive user adoption of our multilinear on-demand entertainment product and our mobillity product.

Financial capital
- Revenue growth: 7.3% (2017:6.2%)
- EBITDA margin: 39.7% (2017:40.5%)
- Dividend: MUR916M (2017:MUR614M)
- Interest paid: MUR51M (2017:MUR54M

Human capital
- Employee engagement score: 60% (2017:46%*)
- Gender balance male/female: 63:37 (2017:64:36)
- Training hours per employee: 20.3 (2017:28.1)

*Based on weighted average score

Intellectual capital
- Strong presence/footprint on the market and established brands
- Higher brand recognition
- Our robust and reliable governance, systems and procedures to enable us to extract value in a sustainable manner
- Showroom Payment Processing Time (mins): 2 to 3 (2017:15 to 20)
- Activation of SIM Card Process Time: (mins): 7 to 8 (2017:35)

Relationship capital
- 52 common ICT projects for the cluster

Emtel
- Facebook fans: 217,265 (2017:211,960)
- Customer Satisfaction Score: 78.9% (2017:78.8%)
- Net Promoter Score (NPS): NA (2017:36.4%)
- Mobile Customer Market Share: 40.8% (2017:39.7%)

MCV
- Facebook fans: 217,704 (2017: 196,744)
- Customer Satisfaction Score: 69.0% (2017:71.0%)
- Pay TV Market Share : 29.0% (2017:31.0%)

Screenage
- Customer Satisfaction Score: 77.0% (2017:NA)

CINF
- Customer Satisfaction Score: 86.0% (2017:NA)

Manufactured capital
- The cluster has invested to create an ICT infrastructure that contributes to the enhancement of value delivered to its individual and business customers
- Total Data Consumption on the network average per day (TB): 122,687 (2017:64,933)
- Undersea cable capacity (Gbps): 9.4 (2017: 5.4)
- 4G data capacity (Gbps): 208.0 (2017: 146.0)
- Landing stations: 2 (2017:2)
- CDN Cache Capacity (TB): 20 (2017:20)

Social and Natural capital
- CSR contributions to the Currimjee Foundation. More details are given on page 150.
- 4% increase in electricity consumption for 2018
- 13% reduction in fuel consumption

Wastes Collected & Recycled
- Electronic Wastes (Tonnes): 10.4 (2017:11.1)
- Paper waste and other wastes (cartons, plastic & oil) (tonnes): 7.9 (2017: 13.3)

Infrastructure

Opex optimisation

REAL ESTATE'S BUSINESS MODEL

INPUT – OUR CAPITAL TO CREATE VALUE

Financial capital
- Equity MUR864M (2017:MUR831M)
- Net debt MUR118M (2017:MUR80M)

Human capital
- Engaged employees (5 managers, 10 staff and 25 operatives): 40 (2017:43 employees)

Intellectual capital
- Our brands – Phoenix Central and Arcades Currimjee.

Relationship capital
- Our relationships with stakeholders; including tenants, customers, local authorities, partners and the community at wlarge.
- Number of tenants: 96 tenants (71 for own properties and 25 for other managed properties)

Manufactured capital
- Property assets in prime urban locations developed as office and retail destinations.
- Property assets value: MUR1,592M (out of which MUR868M are developed properties and the rest are partially developed properties and land assets)
- MUR43M of investments made during the year.

Social and Natural capital
- CSR expenditure: MUR223K (2017: MUR198K)
- Investment in environmental projects: MUR 43K (MUR535K in 2017)

OUR IDENTITY

- CJ Group owns different categories of properties which are classified as developed properties, partially developed properties and land assets. The Real Estate cluster manages the CJ Group's properties by focusing on activities such as tenancy management, facilities management and property development.
- Driven by demand, opportunity and the need to remain relevant, the philosophy of CJ Group with respect to its Real Estate cluster is to develop its property assets in a phased manner to generate an attractive yield, capital appreciation, a longer tenancy arrangement and value in the medium to long term. This allows the Group to meet its key objective of income and risk diversification and provide increased value to shareholders.
- At the heart of our approach is our purpose: creating mixed-use places through high quality and sustainable development. It also entails that we develop our properties with a contemporary touch whilst at the same time preserving the historical architecture of our building where relevant. It's about taking a long-term view, partnering with diligently selected operators and creating environment that is convenient and attractive for the ultimate customers.

VALUE CREATION

PROPERTY ASSETS MANAGEMENT

- We constantly analyse our business environment to determine the risks and opportunities of the different components of our real estate portfolio. We work towards investing, generating a healthy yield in a sustainable manner and a capital appreciation of our assets in the medium to long term. We plan, construct, develop and refurbish to create successful places to address the needs of our customers, partners and communities.

FACILITIES MANAGEMENT

- We employ a team of highly skilled workforce in key areas of support services to deliver and sustain an improved service level delivery through utility management intervention. This service is controlled by a bespoke software allowing us to closely monitor the jobs performed by the team.

TENANCY MANAGEMENT

- The selection of our tenants is made after conducting a thorough due diligence exercise. This helps us to build the right mix of tenants for our properties. We focus also on growth in renewal rentals to enable us to improve our property yield over time. In dealing with our loyal tenants, we adopt a proactive and responsible approach in our interaction and we communicate with them on a regular basis so as to identify any areas of concern relating to their tenancy. We also work together as a team to organise promotional events leading to enhanced footfall.

ENVIRONMENT AND SUSTAINABILITY INITIATIVES

- The cluster adheres to the Group environmental and sustainability initiatives by focusing on a number of areas such as judicious energy management, rainwater collection, disposal of waste and minimisation of ecological footprint.

HOW WE CREATE VALUE THROUGH OUR STRATEGY:

- In order to have a more transparent and focused approach on our Real Estate cluster, we plan to restructure the holding of our real estate properties under a common shareholding vehicle to address the issue of scale and also allowing for risk minimisation. This will help us to further develop and unlock value by bringing in outside capital and specific expertise.
- We work towards building the attractiveness of our properties in line with market demand and thereby improving the yield on our property assets to reach above market average.
- In line with the Group wide objective of building a customer-centric organisation, the Real Estate Cluster will work together with its tenants to build an excellent customer experience over time.
- Constantly reviewing our tenant mix in order to maintain our properties as an attractive destination for the benefit of our stakeholders.

OUTPUT AND OUTCOMES

Financial capital

- Dividend of MUR8M (2017: MUR6M)
- Interest paid : MUR6.3M (2017 MUR4.6M)

Human capital

- Employee engagement score: 63% (2017:62%)
- Gender balance male/female 80:20 (2017: 86:24)
- Training hours per employee: 10.5 (2017: 9.7)

Intellectual capital

- Distinctive brand identity (Arcades Currimjee and Phoenix Central)

Relationship capital

- Positive and constructive relationship with the authorities and all our stakeholders
- Our loyal tenants
- Tenants years average (weighted average lease expiry): 2.5 years

Manufactured capital

- Functional properties to deliver value to our tenants and customers
- % increase in property value: 4.5% (2017: 4.8%)
- Net yield on developed properties: 3.4% (2017:2.5%)
- Occupancy decrease in 2018 is mainly due to renovation and new space acquired: 66% (2017:78%)
- Leasable area: 191,847 ft^2 (2017:172,275 ft^2)

Social and Natural capital

- CIL has been awarded the Stock Exchange of Mauritius Sustainability Index (SEMSI) since 2015 and is a member of the Green Building Council since 2016
- Continued investment in long-term renewable energy solutions
- Initiated rainwater retention projects leading to reduced water consumption
- Contributions to the Currimjee Foundation. More details are given in our <IR> on page 150.

PAS

SION

We have the passion required to bring our vision to life, to inspire success and build a better tomorrow for our customers, company and country.

FINANCIAL CAPITAL

FINANCIAL CAPITAL REFERS TO THE POOL OF FUNDS THAT IS AVAILABLE TO OUR ORGANISATION.

STAKEHOLDER IDENTIFICATION

- Internal – Shareholders
- External – Debt providers.

STAKEHOLDER EXPECTATIONS

- To align the shareholders' and business's expectations on matters that relate to the business's strategies, governance, purpose and values;
- To create and protect shareholder value in a sustainable and responsible manner;
- To ensure business resilience through good governance and strong organisational fundamentals;
- To manage strategic and key business risks to ensure the achievement of the business's strategic objectives;
- To share business results and business developments on a periodic basis and in an open and transparent manner;
- To ensure a sustainable level of dividends pay-out;
- To guarantee a maintainable level of debt service cover ratio.

STRATEGIC RESPONSE

- Establishing a well-structured Group with a relevant and appropriate governance structure that oversees and supports the management team;
- Creating a formalised and structured 3-year strategic plan which enables CJ to allocate its resources in the most efficient way;
- Regularly monitoring the status of strategic objectives by CJ management to ensure its achievement;
- Hosting quarterly Board meetings to review the Group's performance, progress on strengthening organisational effectiveness and business development;
- Maintaining and growing a diversified portfolio of investment for the on-going value creation of the Group;
- Adjusting our strategies through constant monitoring of technological and environmental changes impacting our businesses;
- Implementing a debt management plan over the medium term in a responsible manner to reduce debt;
- Sharing the financial performance of the Group with our debt providers on a regular basis.

OUTCOME

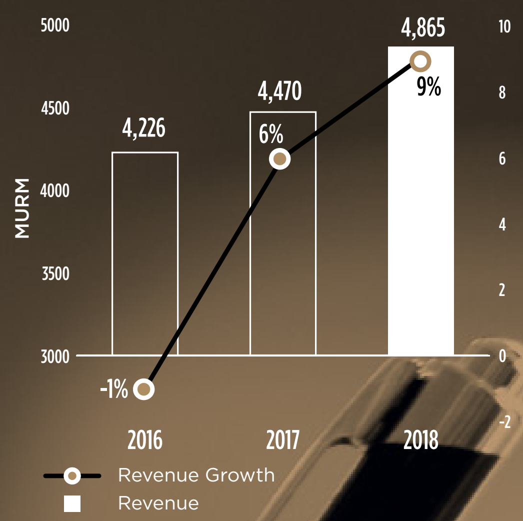
- Quarterly fact sheet (which includes the financial summary and operational KPIs) is sent to shareholders of "Owners' Board";
- Annual Shareholders Meeting (AGM), during which reports on the performance of the Group, governance, and key business strategies and issues are shared with the shareholders;
- An annual update of the Group's 3-year strategic plan which impacts all business units of the Group;
- Regular meetings with our lenders to keep them up to date with the Group's performance and the debt reduction plan's progress regarding the attainment of the key objectives.

BASIC INFORMATION

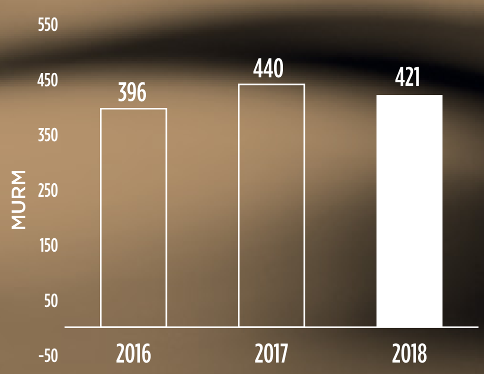
Rs'M	2018	2017
Revenue	**4,865**	4,470
Revenue growth (%)	**8.8%**	5.8%
Operating profit	**827**	590*
Operating profit margin (%)	**17.0%**	13.2%
NPAT	**421**	440
TCI	**182**	515
Shareholders funds	**1,373**	1,616
Total assets	**10,038**	9,104
Net debt	**4,470**	4,088
Dividend payout (equity holders)	**110**	100
Interest cover (times)	**3.41**	2.81
Gearing (%)	**76.5%**	71.7%

** This amount excludes exceptional profit realised on sale of quoted shares amounting to MUR205M in 2017.*

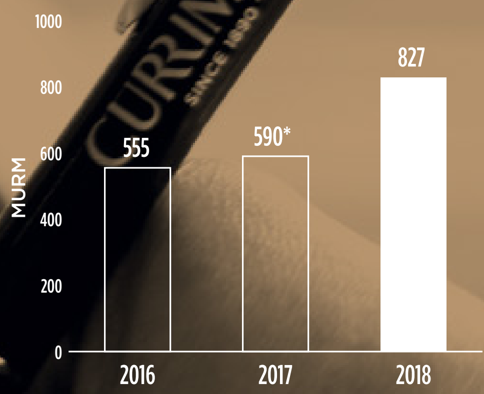
REVENUE



NET PROFIT AFTER TAX

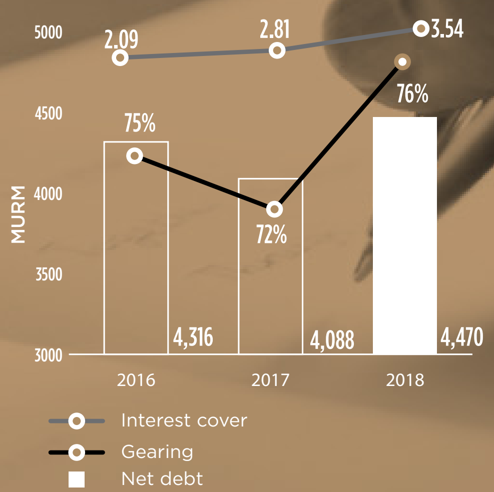


OPERATING PROFIT

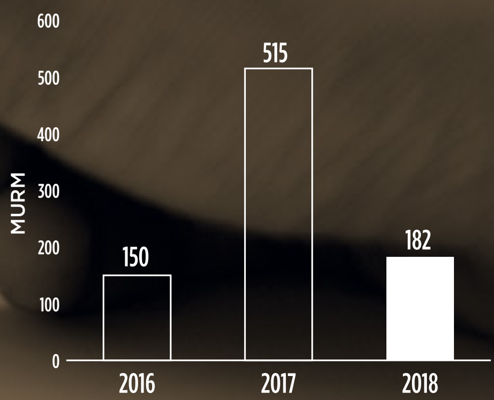


** This amount excludes exceptional profit realised on sale of quoted shares amounting to MUR205M in 2017.*

GEARING



TOTAL COMPREHENSIVE INCOME



HUMAN CAPITAL

HUMAN CAPITAL REFERS TO HOW WE VALUE AND ENGAGE OUR PEOPLE.

STAKEHOLDER IDENTIFICATION

- Internal stakeholders – management, staffs and operatives;
- External stakeholders – external consultants (i.e. Hay Group, RBL Group, Aon Hewitt), recruitment agencies (local and international), training institutions (local and international) and government bodies (including the Ministry of Labour, HRDC, Data Protection Office, MRA and MQA).

STAKEHOLDER EXPECTATIONS

- ***Pay and Benefits***
  - Market-related terms of employment and benefits;
  - Fair reward for performance.
- ***Environment***
  - Collaborative and comfortable working conditions.
- ***Development***
  - Professional growth and career development opportunities.
- ***Recognition***
  - Clear responsibilities and expectations through a structured Performance Management Process.
- ***Caring***
  - Collaborative culture;
  - Employee engagement;
  - Fair and transparent processes and interactions.
- ***Responsible***
  - Adherence to established HR policies and procedures including Code of Conduct;

STRATEGIC RESPONSE

- ***Competitive Remuneration and Employment Conditions***

CJ is committed to offering a complete compensation package that enables the organisation to attract and retain highly skilled and talented employees for all positions. It is the company's policy to conduct periodic reviews of the Compensation Policy and recommend salary range and benefits adjustments that reflect current competitive practices. We provide an additional consideration to our operatives and lower level staff by providing them with a higher than market average pay package.

CJ also ensures that its employees operate within a collaborative and comfortable environment that's equipped with the latest technologies and state-of-the-art systems to enable them to be more efficient and effective.

- ***Safety and Health Policy and Procedures***

CJ is committed to ensuring the safety and health of its people at work. Safety and health considerations are an integral part of the Company's decision-making process. In this respect, CJ ensures compliance with the occupational safety & health requirements and standards, and fosters individual responsibility to adhere to safe work practices and procedures.

HUMAN CAPITAL

HEADCOUNT

1,081
PERSONS
(2017:1,141)

GENDER

61.7%
MALE
(2017:62.0%)

38.3%
FEMALE
(2017:38.0%)

61%
ENGAGEMENT SCORE
(2017:46%)

- ***Talent management and development***

Since 2017, CJ has formally implemented a talent management and development program to retain, manage and develop key talents for executing its business strategy, creating value and ensuring continuity of business operations. Back in 2012, CJ also implemented an accounts training scheme (CATS) with the objective of training and retaining employees in the accountancy and finance field.

- ***Group-wide employee engagement surveys and action plans***

Since employee engagement drives performance, CJ has been conducting employee engagement surveys to gauge employee satisfaction and strategic alignment. Employee engagement action plans were subsequently implemented to address the engagement improvement drivers and sustain those drivers that are positively contributing to employee engagement.

- ***Business Continuity Planning and Succession Plan***

To manage the impact of an exit of personnel who occupy key and critical positions, whether by attrition or retirement, and ensure continuity of business operations, CJ has started to work on the formulation of succession plans and business continuity plans.

- ***Internal communication***

To promote our purpose, values and uphold togetherness across the Group, the Company drives many internal initiatives such as the publication of a quarterly internal magazine, "CJ News", the administration of the Group's intranet (Together Currimjee), regular get-togethers for the business's leadership team and the organisation of team building events for the Group's employees.

- ***Group Code of Conduct***

CJ's Code of Conduct reflects our long-standing and fundamental belief in responsible and ethical business practice. The Code ensures that our employees and all those who work on our behalf behave ethically while interacting with us in our business dealings.

OUTCOMES

- CJ and its subsidiaries have been conducting annual employee engagement surveys. Since 2017, the employee engagement survey has been outsourced to Aon Hewitt, a company that conducts such surveys globally. The survey allows us to benchmark with other local conglomerates.
- The major components of the Aon Hewitt's employee engagement framework are Company Practices, Total Rewards, Quality of life, People and Opportunities. Employees rate their appreciation with regards to these components in the survey, thus culminating in an engagement score. The group engagement score for CJ and its business units has increased from 46% in 2017 to 61% in 2018. This can be attributed to the implementation of engagement action plans throughout all business units in 2018. Focus groups have been organised with employees on the key engagement drivers.

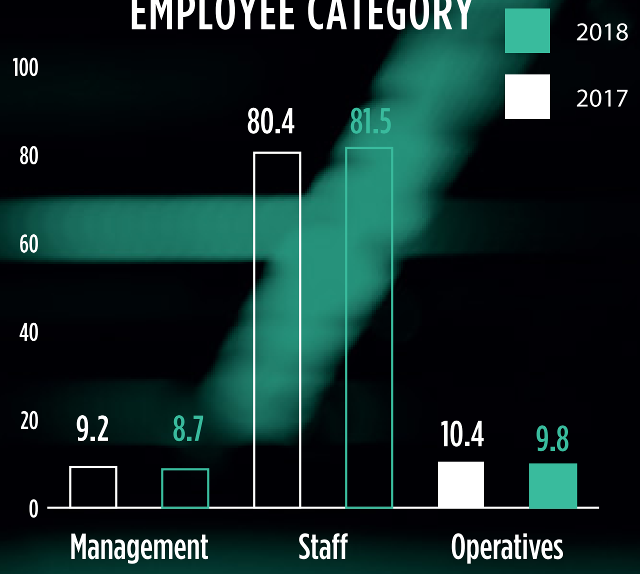
INVESTMENT IN TRAINING

MUR 11 M
(2017/2018)

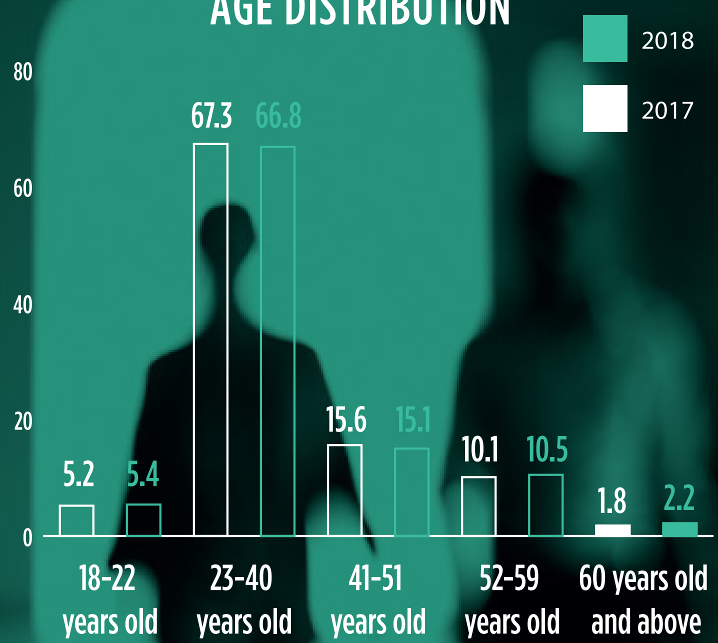
AVERAGE TRAINING HOURS

15.90

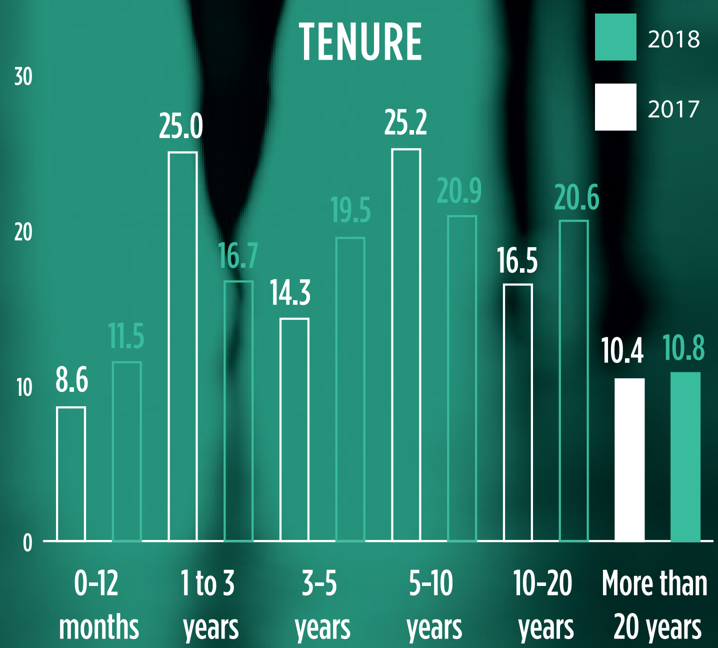
EMPLOYEE CATEGORY

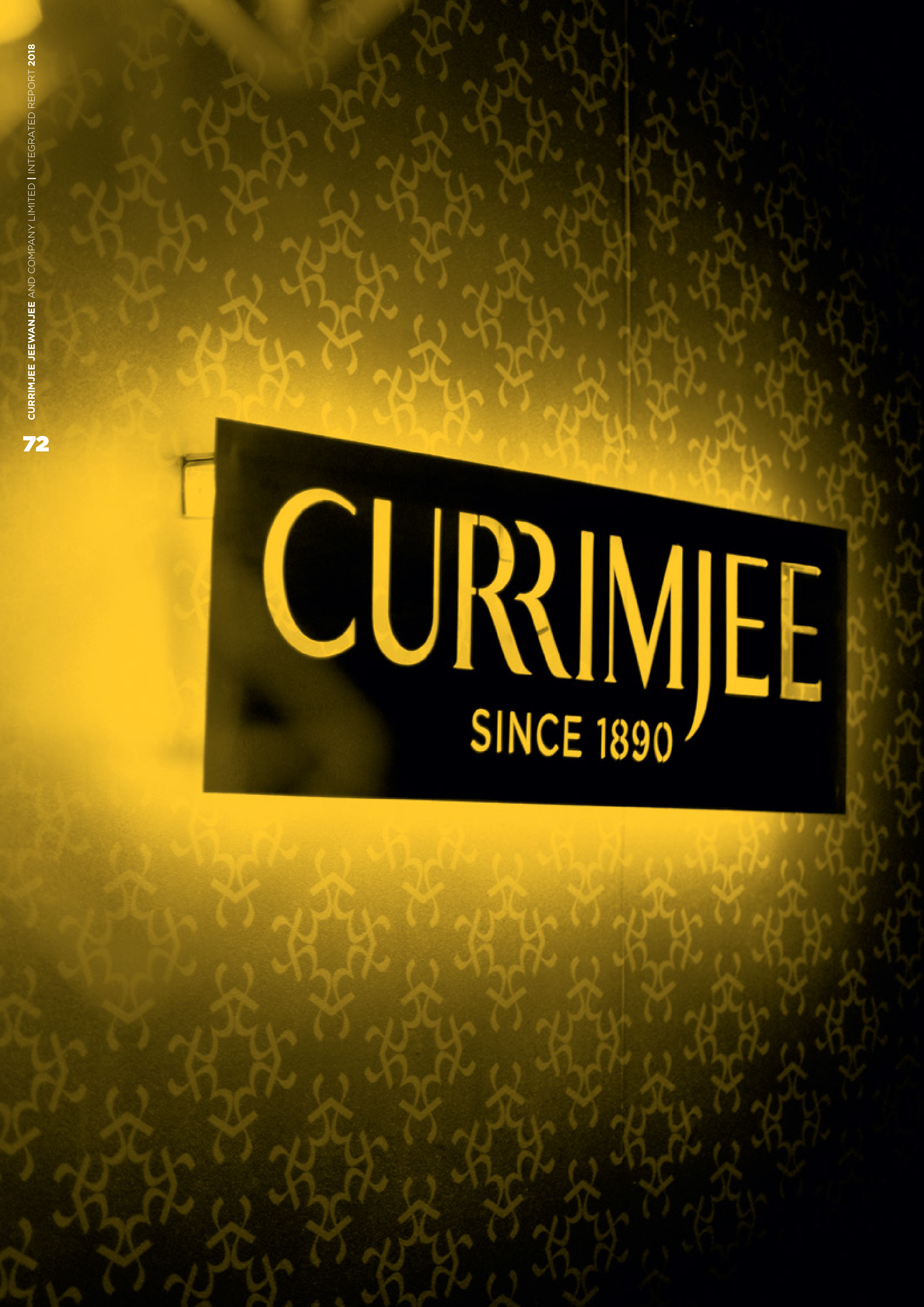


AGE DISTRIBUTION



TENURE




CURRIMJEE
SINCE 1890

INTELLECTUAL CAPITAL

INTELLECTUAL CAPITAL IS THE INTANGIBLE, KNOWLEDGE-BASED VALUE OF OUR ORGANISATION SUCH AS OUR PROCESSES, EXPERTISE AND COMPANY CULTURE.

STAKEHOLDER IDENTIFICATION

- Internal – shareholders and employees;
- External – media, customers, suppliers, business partners, regulatory bodies and society at large.

STAKEHOLDER EXPECTATIONS

- To ensure organisational resilience built on comprehensive and effective processes, policies, systems and procedures;
- To lead the organisation with a passionate team of forward-looking and agile leaders with uncompromising integrity;
- To sustain the Group's brand image that was built over generations as a family business.

STRATEGIC RESPONSE

- Adopting and continuously improving established systems, processes, procedures and policies;
- Instilling and sustaining a culture of openness and togetherness amongst the business leaders;
- Formally engaging business leaders towards the formulation of business strategies on an annual basis;
- Identifying, recruiting, and training professionals from diverse backgrounds, cultures and gender into positions of increasing responsibility;
- Reinforcing the importance of our values and culture through our policies, our behaviours, website and other means of communication to our internal and external stakeholders;
- Promoting, nurturing and protecting our business brands through diligent response to our stakeholders' expectations. We have defined clear brand guidelines across all mediums and this is further reinforced through our activities and communications.

OUTCOMES

- A distinctive and reputable brand identity;
- A rebranded corporate identity, revamped website and Group-wide intranet systems for information sharing;
- A well-designed governance system based on the Code on Corporate Governance creating efficient and aligned processes with clear responsibilities and roles for all involved;
- A value-driven leadership and culture.

RELATIONSHIP CAPITAL

RELATIONSHIP CAPITAL REFERS TO HOW WE DIRECTLY INTERACT AND VALUE OUR STAKEHOLDERS.

STAKEHOLDER IDENTIFICATION

- Internal – shareholders and employees;
- External – customers, business partners, suppliers, regulators and financial institutions.

STAKEHOLDER EXPECTATIONS

- Our customers expects us to deliver value for money product and services and a positive end-to-end set of interactions between them and our brand;
- Our business partners assume a fair interaction leading towards a mutual beneficial relationship in all their dealings with the Group;
- Our shareholders trust the Group will effectively communicate information about its position, performance, risks and opportunities;
- Our regulators expect the Group to always fulfil its legal responsibilities;
- An open and transparent line of communication between the Group and its employees;
- All our stakeholders expect fair dealings that reflect our purpose and values in all our interactions with them.

STRATEGIC RESPONSE

- We have embarked on the building of a customer-centric culture across the Group to exceed our customers' expectations;
- All our business dealings with our partners are based on the premise of a trusted relationship built over years of working together;
- Periodically share the key business insights with our shareholders and seek their input in material decisions of the Group;
- The Group ensures through regular assurance exercises that all its responsibilities with regards to the regulatory authorities are fulfilled;
- Regular communication with our employees via the intranet, regular informal and formal interactions and the quarterly CJ newsletter;
- Living our values through all our interactions with our stakeholders.

OUTCOMES

- We have a loyal customer base of over 800,000+, being served on a regular basis. Currently we have 400,000+ followers on digital media;
- We have revamped our website which showcases our Group and helps us to be more visible to the outside world;
- Long-lasting, mutually beneficial and trusted relationship with our key business partners and shareholders;
- An 32% improvement in our employee engagement survey results in 2018;
- A constructive relationship with our other key stakeholders based on a win-win approach.


EMTEL


Energy

MANUFACTURED CAPITAL

CJ'S MANUFACTURED CAPITAL IS THE BUILDINGS, IT SYSTEMS, TECHNICAL AND NON-TECHNICAL EQUIPMENT USED TO CREATE VALUE AND SUPPORT OUR BUSINESSES.

STAKEHOLDER IDENTIFICATION

- Internal stakeholders: employees, executives and board members.
- External stakeholders:
  - Tenants of our buildings;
  - Service providers for our building maintenance IT systems and technical & non-technical equipment;
  - Insurance companies;
  - Regulatory authorities – Municipalities and District Councils, ICTA, IBA, health and safety and building inspectorate.

STAKEHOLDER EXPECTATIONS

- Have a safe, efficient and comfortable working environment promoting openness, respect and teamwork;
- Properly maintained assets;
- Mutually beneficial relationship with property owners;
- Ensure compliance with local laws and regulations;
- Positive customer experience through the latest technologies;
- Functional properties to deliver value to our tenants and customers.

STRATEGIC RESPONSE

- Purposely built properties with appropriate working environment and equipment;
- Dedicated team of professionals ensuring the proper upkeep of our building and technical & non-technical equipment;
- Engage actively with knowledgeable resources on matters relating to health and safety and other regulations;
- Continuously invest in capital expenditures to meet our customers' expectations;
- Collaborate with reputed partners to bring in know-how and latest technologies in our businesses;
- We make sure that we stay ahead of the curve by constantly innovating and providing differentiated product and services.

OUTCOMES OR ACTIONS

- Investment of MUR1,341M by CJ Group in building assets, network and equipment;
- A pleasant and efficient work-friendly environment at our newly renovated CJ headquarters (with our cafeteria and roof terrace) and our coworking space at Le Nénuphar, promoting greater teamwork and engagement;
- CJ has invested in a private cloud system and an intranet system which enables the Group employees to collaborate from different location;
- Total tangible and intangible assets of MUR 6,340M at net book value on 31 December 2018, including a high-end IT and Technical infrastructure provide an island-wide connectivity.

SOCIAL & NATURAL CAPITAL

SOCIAL AND NATURAL CAPITAL REFERS TO OUR CONNECTION WITH THE LOCAL COMMUNITIES, NGOS, AND OTHER STAKEHOLDERS WITH REGARDS TO SOCIAL AND ENVIRONMENTAL MATTERS THAT ARE CENTRAL TO OUR ORGANISATION.

STAKEHOLDER IDENTIFICATION

- Internal stakeholders: shareholders, Board of Directors and employees;
- External stakeholders: regulatory authorities, government institution such as the MRA and the NCSRF, registered NGOs and the community at large.

STAKEHOLDER EXPECTATIONS

- To run the Group's operations in a responsible manner while promoting sustainable development;
- To partner with NGOs on social and environmental initiatives;
- To ensure employee engagement and participation in CSR activities;
- To contribute to the financing of societal and environmental projects;
- To voluntarily participate in broader national environmental initiatives;
- To preserve the environment for future generations.

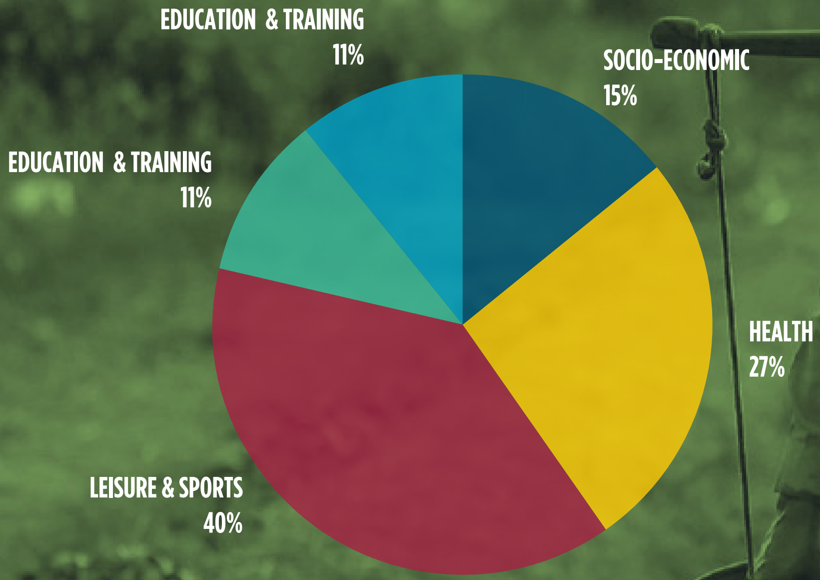
STRATEGIC RESPONSE

- Implementing our CSR initiatives effectively alongside Group employees with the aim of improving the environment and the socioeconomic conditions of needy communities;
- Identifying projects and NGOs in the relevant areas of intervention which the Group and the Currimjee Foundation sponsor through its annual CSR plan;
- Collaborating with the local authorities and NGOs to identify solutions to alleviate social and environmental concerns;
- Promoting sensitisation and awareness campaigns on environment, education and sports;
- Putting in place a robust governance system to ensure that the Group fulfil its legal and ethical obligations in a diligent manner;
- Making sustainability an integral part of our projects and product offerings;
- Protection of coastal ecosystems;
- Exceeding expectations on environmental protection with respect to our projects.

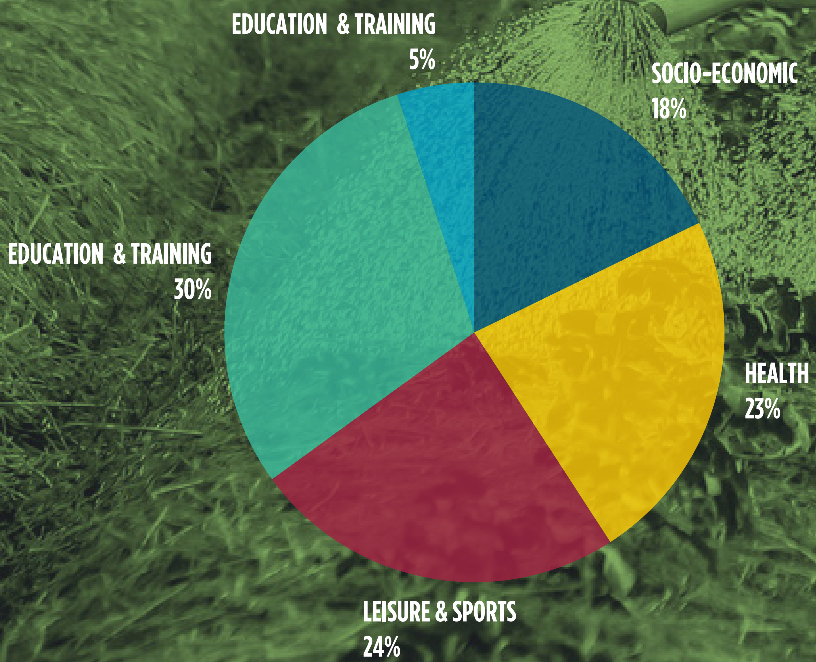
OUTCOMES

- Employee participation in CSR activities – the most effective way of supporting the community is by engaging our most valuable asset – our own employees. Throughout 2018, CJ staff were involved in the different activities, including the blood donation, Citadel revegetation, Christmas box as well as the Mauritian flora and fauna preservation projects;
- More details can be found in the CSR & Sustainability Initiatives section (page 150).

CSR AREAS OF INTERVENTION



CSR EXPENDITURE PER COMMUNITY DEVELOPMENT AREA (%)
2017



CSR EXPENDITURE PER COMMUNITY DEVELOPMENT AREA (%)
2018

OPEN

NESS

We are open and inclusive, always willing to learn from others and always demonstrating respect for different cultures, beliefs and ideas.

CORPORATE *Governance*

The Board of Directors affirms that the Company is a Public Interest Entity ("PIE") as defined by the Financial Reporting Act 2004. The Board has followed the guidance notes of the National Code of Corporate Governance of Mauritius 2016 ("the Code") and strives to be as transparent and complete as possible in its disclosures and reporting requirements. This report outlines the Company's governance framework under the Code and provides explanations for any deviation from its recommendations.

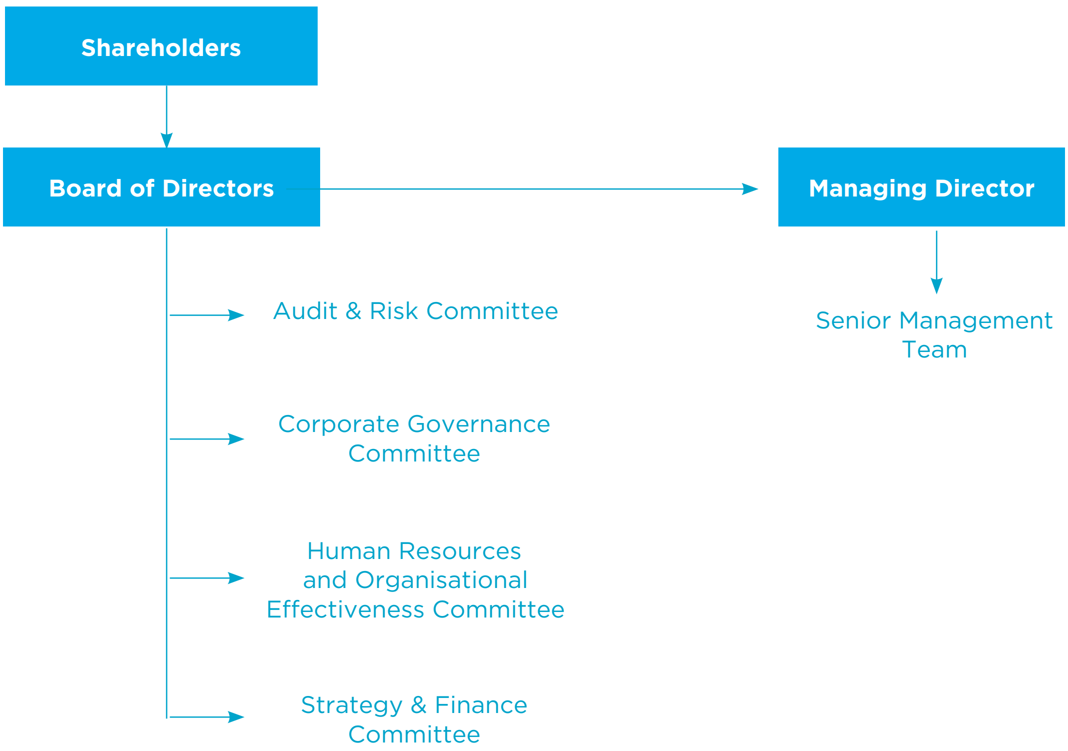
PRINCIPLE 1 – GOVERNANCE STRUCTURE

The Board

Statement of Accountabilities

The Board is responsible for leading and controlling the organisation and meeting all legal and regulatory requirements. It is accountable for the performance and affairs of the Currimjee Jeewanjee and Company Limited (the "Company") and for achieving growth in a sustainable manner. The Board is also responsible for ensuring that the Company adheres to high standards of ethical behaviour and acts in the best interest of Shareholders.

The Board operates within a defined governance framework, through effective delegation, to established Board Committees, each having formal terms of reference, and management functions with clear lines of responsibilities, as set out in the chart below. This enables the Board to discharge its duties more effectively.



The Terms of Reference of each of the Board Committees provide for a review thereof on an annual basis.

The Board has, at its Meeting held on 10 April 2019, adopted a Board Charter ("Charter"), which is available for consultation on the Company's website http://www.currimjee.com.

The Company has a Code of Conduct, which ensures that the Directors and officers of the Company are clear on the ethical, behavioural and professional standards they are expected to adhere to. The Code of Conduct is available for consultation on the Company's website http://www.currimjee.com.

CORPORATE GOVERNANCE

Key Senior Governance Positions and Responsibilities

The Board of Directors operates under the Chairmanship of Mr Bashirali A. Currimjee. The functions of the Chairman and the Managing Director are separate. Mr Anil C. Currimjee is the Managing Director of the Company.

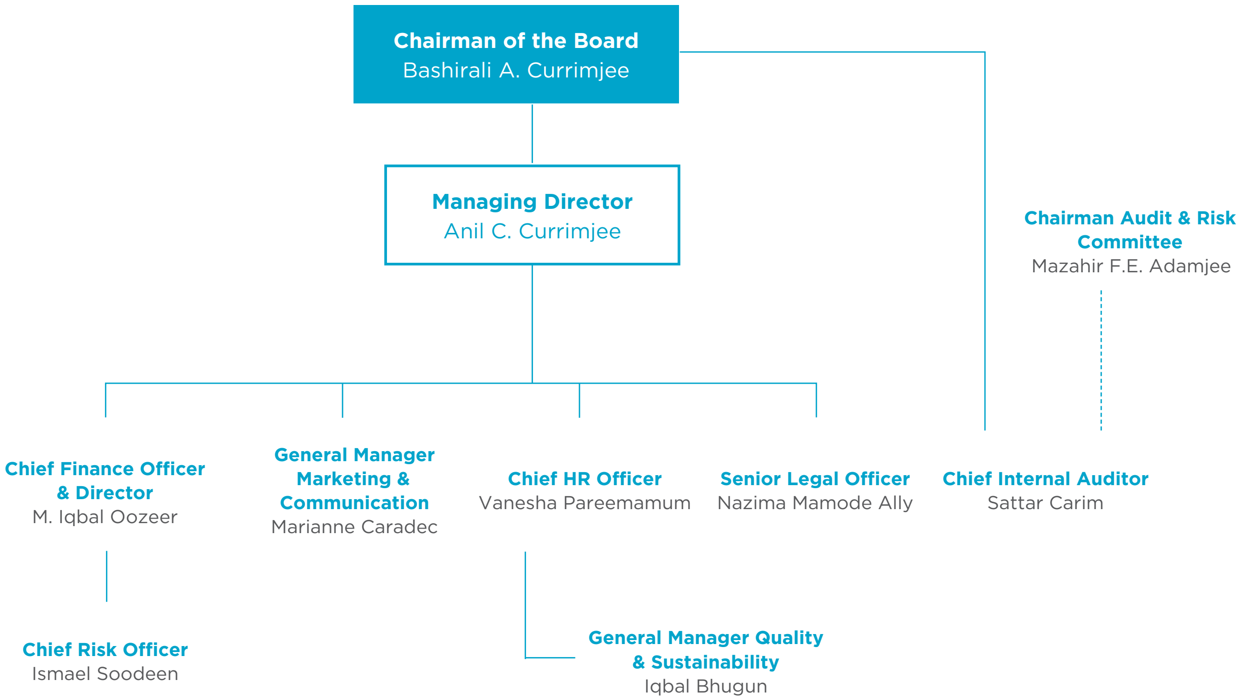
The Company Secretary is Currimjee Secretaries Limited, represented by Mr Ramanuj Nathoo.

The Board has approved the Position Statements of the Chairman, Managing Director and Company Secretary which are available for consultation on the Company's website http://www.currimjee.com.

The profile of Directors is set out on pages 12-17 of the Integrated Report.

The Board has decided to only disclose directorships in listed companies. Details of their other directorships are available at the Company's registry.

Organisation Chart



The profile of the senior leadership team is set out on pages 18-29 of the Integrated Report.

PRINCIPLE 2 – THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Company is directed by a unitary Board. During the year 2018, the Board has reviewed its size, composition, skills and core competencies to ensure a suitable balance and diversity of skills, competencies, expertise and knowledge. As at the date of this report, the Board consisted of twelve Directors comprising of two Executive Directors, seven Non-executive Directors, including the Chairman and three Independent Directors.

The Executive Directors are responsible for running the Company's business and developing and implementing the Company's strategy, as approved by the Board. They manage the dynamics between their management responsibilities and their fiduciary duties in the best interests of the Company.

The Non-executive Directors and Independent Directors come from diverse backgrounds, and the latter are free from any business or other relationships with the Company, which could materially affect their ability to exercise such independence. The Non-executive and Independent Directors provide an objective oversight, independent of the Executive Directors, to constructively challenge Management and contribute to effective decision-making at the Board.

Where necessary in the discharge of their duties, Directors have the right to seek independent professional advice at the expense of the Company. They also have access to the records of the Company.

The Board is responsible *inter alia* for the following:

- Values, Vision and Strategy – to nurture the core values of the Company, and ensure that these values are communicated and spread across the organisation and that they lead into a coherent vision in line with that of the shareholders.
- Monitoring of performance: financial planning and business monitoring – to ensure a proper system of financial and business planning including periodic plans to achieve strategic objectives which cover organisational and financial processes.
- Board Structure and Board Governance – The Board is ultimately accountable and responsible for the performance and affairs of the Company. This involves a set of relationship between the Board, Management, its shareholders and other relevant stakeholders.
- Human Resource Planning/Systems and Management – to ensure that the Human Resources, their management and development are given the proper thrust and importance. The Board shall also ensure that the HR systems, policies and issues relating to human potential are discussed at the Board.
- Internal Control and Risk Management – to put in place and maintain a sound system of internal control and risk management.
- Communications/corporate stewardship – to ensure that the necessary systems are in place for the discharge of its responsibility for effective governance and stewardship towards all stakeholders through appropriate governance policies and regular communications.

Focus areas for the Financial Year 2018

The Board has considered/approved, amongst other items, the following key matters during the year:

1. Financial Matters:

- Approval of the Annual Report for the year ended 31 December 2017;
- Quarterly review of the performance of the Company and the Group against budget, including operational and financial highlights and review of the business cluster activities;
- Approval of the Annual Operating Plan for year 2019;
- Declaration and payment of final dividend for the year ended 31 December 2018;
- Monitoring of Medium Term Debt Management plan.

2. Strategy & Risk

- Monitoring and review of the rolling 3-year plan for the Company and the Group;
- Review and monitoring of key investments and major projects undertaken by the subsidiary companies;
- Approval of the implementation of a private Cloud project for the Company and some of its subsidiary companies;
- Review of the Company's Risk Matrix.

3. Governance

- Monitoring of implementation plan for the Code;
- Receive reports from Chairman of Board Committees;
- Approval of Corporate Governance Report for the≈financial year 2017;
- Approval of the process for evaluation of individual Directors;
- Appointment of two Independent Directors;
- Approval of position statements for the Key Governance Officers;
- Review and monitoring of the Related Party Transaction Policy;
- Approval of a revised version of the Code of Conduct.

CORPORATE GOVERNANCE

Audit and Risk Committee

The Audit and Risk Committee is chaired by Mr Mazahir F. E. Adamjee. The other members are Messrs Ashraf M. Currimjee, Riaz A. Currimjee and Mrs Aisha Timol (appointed member on 14 August 2018). The following officers also attend the Committee meetings: Mr Anil C. Currimjee, the Managing Director; Mr M. Iqbal Oozeer, the Chief Finance Officer; Mr Ismael Soodeen, the Chief Risk Officer and Mr Sattar Carim, the Chief Internal Auditor.

The Chairman of the Committee is not an Independent Director. Although Mr Adamjee is a non-executive Director, the Board is of the view that he is duly qualified to act as Chairman of the Audit and Risk Committee, given his strong financial expertise.

The Terms of Reference of the Audit and Risk Committee were reviewed and approved by the Board in December 2017.

The Committee is responsible, *inter alia*, for the following:

- monitoring the integrity of the financial statements and annual report and review significant financial reporting issues and judgements therein;
- reviewing the Company's internal controls related to financial reporting and disclosure controls and procedures and monitoring the effectiveness of the internal audit function;
- reviewing the internal audit recommendations and monitoring their implementation;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the External Auditor;
- agreeing with the External Auditor on the terms of their engagement, the scope of the audit and their fees (whether for audit or non-audit services);
- assessing annually the independence and objectivity of the External Auditor, their expertise and resources and the effectiveness of the audit process;
- advising the Board on the overall risk appetite, tolerance and strategy, ensuring that an overall risk management framework is in place and reviewing policies related to risk management; Monitoring of the "Related Party Transaction Policy" as established by the Board.

Corporate Governance Committee

The Corporate Governance Committee is chaired by Mr Mazahir F. E. Adamjee and the other members are Messrs Bashirali A. Currimjee, Ashraf M. Currimjee, Azim F. Currimjee, Geerja S. Ramdaursingh and Mrs Aisha Timol (appointed member on 14 August 2018). As approved at the Board Meeting held in October 2018, the Managing Director, Mr Anil C. Currimjee, is henceforth in attendance at Corporate Governance Committee Meetings.

The Committee is responsible, *inter alia*, for the following:

- recommending to the Board of Directors on the corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles;
- ensuring that the reporting requirements and disclosures made with regard to Corporate Governance, whether in the Annual Report or on an ongoing basis, are in accordance with the principles of the Code;
- determining, agreeing and developing the Company's general policy on Corporate Governance in accordance with the Code;
- reviewing the Company's Corporate Governance Policy and any other issues related to Corporate Governance and making requisite recommendations to the Board for consideration and approval.

Strategy and Finance Committee

The Strategy and Finance Committee is chaired by Mr Anil C. Currimjee and the other members are Messrs Bashirali A. Currimjee, Azim F. Currimjee, Riaz Currimjee, Christophe de Backer, Mazahir F. E. Adamjee, Geerja S. Ramdaursingh and M. Iqbal Oozeer.

The Committee is responsible, *inter alia*, for the following:

- ensuring an effective strategic planning process is in place;
- reviewing and proposing strategic objectives and options to the Board and monitoring effectiveness of strategies;
- approving and monitoring large investments within limits of authority;
- reviewing and monitoring the IT policy, investment in IT and strategic assets;
- making recommendations to the Board on matters pertaining to capital structure, finance strategy, treasury operations, investment strategies and financial risk management; developing and recommending long-term financial objectives for the Company.

Human Resources and Organisational Effectiveness Committee

The Human Resources and Organisational Effectiveness Committee is chaired by Mr Shahrukh D. Marfatia. The other members are Messrs Anil C. Currimjee, Azim F. Currimjee (appointed member on 14 August 2018) and

Karim Barday (appointed member on 14 August 2018). The Chief Human Resource Officer of the Company, Mrs Vanesha Pareemamun, has been appointed as a co-opted member to benefit from her expertise in the HR domain, although she is not a Director.

Dr Iqbal Bhugun, General Manager, Quality & Sustainability, also attends the meeting to address the Committee on organisational effectiveness and sustainability matters.

The Terms of Reference of the Human Resources and Organisational Effectiveness Committee were reviewed in December 2017.

The Committee is responsible, *inter alia*, for the following:

- ensuring that the human resources, their management and development as well as organisational effectiveness are given the proper thrust and importance by the Board;
- formulating, reviewing, monitoring relevant Human Resources and Organisational Effectiveness policies, systems and structures, reporting on their implementation and making recommendations to the Board;
- reviewing and monitoring appointment for key executive positions and approve appointments of all reportees to the Managing Director;
- reviewing and monitoring compensation policies for key executives and approve compensation decisions relating to all reportees to the Managing Director;
- reviewing the implementation of talent development programme and succession planning for the position of the Managing Director, his reportees and other key executives, so as to ensure business continuity.

Attendance at Board Meetings and Board Committees

The table below gives the records of attendance at the Company's Board and Committee meetings for the year under review:

Directors	Board Meeting	Audit & Risk Committee	Corporate Governance Committee	Strategy & Finance Committee	Human Resources & Organisational Effectiveness Committe
Number of meetings held during the year	**4**	**3**	**2**	**4**	**4**
Mr Bashirali A. Currimjee	2	n/a	-	2	n/a
Mr Anil C. Currimjee[1]	4	3	n/a	4	4
Mr Ashraf M. Currimjee	4	3	2	n/a	n/a
Mr Azim F. Currimjee	4	n/a	2	4	2
Mr Riaz A. Currimjee	4	2	n/a	3	n/a
Mr Christophe de Backer	3	n/a	n/a	3	n/a
Mr Mazahir F. E. Adamjee	4	3	2	4	n/a
Mr Geerja S. Ramdaursingh	4	n/a	2	4	n/a
Mr Shahrukh D. Marfatia	4	n/a	n/a	n/a	4
Mr M. Iqbal Oozeer [1]	4	3	n/a	4	n/a
Mrs Aisha Timol [2]	3	1	1	n/a	n/a
Mr Karim A. Barday[3]	2	n/a	n/a	n/a	2
Co-opted member					
Mrs Vanesha Pareemamun	n/a	n/a	n/a	n/a	4

Notes:

1: Mr Anil C. Currimjee and Mr M. Iqbal Oozeer are in attendance at Audit & Risk Committee meetings.

2: Mrs Aisha Timol was appointed Director on 24 May 2018 and attended all Board and Committee meetings post her appointment.

3: Mr Karim Barday was appointed Director on 13 July 2018 and attended two Board meetings and two Committee meetings post his appointment.

CORPORATE GOVERNANCE

PRINCIPLE 3 – DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

The Nomination and Remuneration Committee is set up at the level of Currimjee Limited.

The Nomination and Remuneration Committee is responsible *inter alia* for making recommendations to the Board on the appointment of new Directors, taking into consideration the Board's needs in terms of skills, experience, diversity and size.

Appointments of new Directors are made in a formal and transparent manner and is a matter for the entire Board, based on the recommendations from the Nomination and Remuneration Committee.

As provided in the Constitution of the Company, each Director is eligible for re-election every year at the Annual Meeting.

Induction and Orientation

All newly appointed Directors have undergone a formal induction programme including meetings and business presentation sessions with Key Executives of the Company and its subsidiaries. They also received a comprehensive induction pack outlining the Company's purpose, mission and values, the Board governance structure and key governance policies, an overview of the previous year's performance, the annual operating plan, the three-year strategy, major projects and Board initiatives.

Professional Development & Succession Planning

Following the introduction of the Code in February 2017, the Directors have been regularly updated on its requirements and implications for the Company through presentations at Board Meetings. Audit Committee members are also regularly updated on changes in accounting standards.

The Board assumes the responsibilities for succession planning of Directors and has set up a sub-committee to address the succession planning for the Managing Director.

The Board also recognises and nurtures talent and has approved a Talent Development Programme for Senior Management to ensure that the Group creates opportunities to develop current and future leaders.

PRINCIPLE 4 - DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

All of the Directors on the Board are fully appraised of their fiduciary duties as laid out in the Companies Act.

The Board has approved a "Related Party Transaction Policy" to ensure due and timely identification, approval process, disclosure and reporting requirements of transactions between the Company and any of its related parties. It also ensures transparency in the conduct of related party transaction(s) in the best interest of the Company and its shareholders. The Audit & Risk Committee has been assigned responsibility to monitor and report related party transactions to the Board. The Board ensures that all related party transactions are carried out at arm's length.

The Company Secretary also maintains an interest register, which is available to shareholders upon written request to the Company Secretary.

Information, Information Technology and Information Security Governance

Information

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

Directors also have access to the Company's Senior Management Team.

Information Technology and Information Security Governance

Information Technology policies have been created based on ISO standard 27001:2013. An Information Security Policy has been devised to ensure that the company's core and supporting business operations continue to operate with minimal disruptions and to protect the organisation's information assets. Policies have been implemented to control the usage, access and security of Information Technology tools that are used by CJ and its subgroup companies. A Business Continuity Policy exists and a Disaster Recovery site is available for all critical services.

The Company has brought standardisation, optimisation and consolidation of IT resources for itself and its subsidiaries (except for those of the Telecommunications, Media & IT cluster) through the implementation of a Private Cloud System in year 2018.

All significant investments on information technology and expenditures, based on the business needs for the financial year, are provided for in the annual budget of the Company and approved by the Board.

In view of ensuring compliance with the Data Protection Act 2017 and the EU General Data Protection Regulations, the Company is reinforcing its security measures to protect the data it collects, stores and processes and a number of policies have been drawn up and are being implemented.

Board, Board Committee & Individual Director Evaluation

Since year 2015, a Board evaluation is carried out on an annual basis through the circulation of a questionnaire to each Director to obtain their feedback on the effectiveness of the Board, its procedures and practices. The questionnaire assesses, the behavioural attributes that contribute to Board effectiveness and their corresponding importance to the Company and the Board's current performance on those behaviours. The results are then analysed by the Board and appropriate action plans with clear roadmaps established in view of further enhancing Board performance.

In 2018, the Board further decided to introduce the process of individual Director evaluation starting off with a self-evaluation by Directors, coupled with one-to-one meetings between the Chairman and Directors. The objective of the exercise is to provide individual feedback to each Director and agree on their professional development needs.

The evaluation of Board Committees has not been carried out. This will be considered by the Board in due course.

Remuneration Philosophy

The Company's remuneration philosophy for the Managing Director follows the guidelines proposed by the Nomination and Remuneration Committee of Currimjee Limited.

The Committee's main responsibility is to make recommendations to the Board for determining, developing and agreeing the Company's general policy on remuneration for the Managing Director and pension for Retired Executive Directors and on the appointment of new Directors.

The Company's policy provides for remuneration of the Managing Director to be reviewed every three years, as per his service contract.

Independent and Non-executive Directors (excluding retired Group Executive Directors and Executive Directors of the Currimjee Group) are paid committee fees, in addition to their Directors' fees. They are also remunerated for attendance at Board Meetings. Directors residing overseas are reimbursed for travelling expenses, including airfares, hotel accommodation and out of pocket expenses incurred by the Directors in the performance of their roles and duties.

CORPORATE GOVERNANCE

Remuneration and benefits received by Directors during the financial year under review from the Company were as follows:

Name of Director	Category of Director	Year 2018 Rs '000	Year 2017 Rs '000
Mr Bashirali A. Currimjee	Non-executive	25,343	18,274
Mr Anil C. Currimjee	Executive	13,381	10,985
Mr M. Iqbal Oozeer	Executive	11,890	10,055
Mr Carrim A. Currimjee*	Non-executive	-	7,596
Mr Fakhruddin J. Currimjee*	Non-executive	-	5,059
Mr Mustanshir A. Currimjee*	Non-executive	-	-
Mr Currim J. Currimjee*	Non-executive	-	-
Mr Ashraf M. Currimjee	Non-executive	305	202
Mr Azim F. Currimjee	Non-executive	305	202
Mr Mazahir F. E. Adamjee	Non-executive	9,947	9,332
Mr Geerja S. Ramdaursingh	Non-executive	1,500	7,000
Mr Riaz A. Currimjee	Non-executive	680	575
Mr Christophe de Backer	Non-executive	853	625
Mr Hassam A. M. Vayid*	Independent	-	325
Mr Mahmood Cheeroo**	Independent	-	508
Mr Shahrukh D. Marfatia	Independent	1,184	600
Mr Karim Barday	Independent	266	-
Mrs Aisha Timol	Independent	242	-

*Messrs Carrim A. Currimjee, Fakhruddin J. Currimjee, Mustanshir A. Currimjee, Currim J. Currimjee and Hassam Vayid resigned as Directors on 31 December 2017.

**Mr Mahmood Cheeroo ceased to be Director on 18 November 2017.

Directors did not receive any remuneration and benefits from the Company's subsidiaries for the year under review.

The Non-executive Directors have not received remuneration in the form of share options.

The Board has also adopted formal policies regarding Executive Directors' benefits including, *inter alia*, Directors' Medical Policy, Directors' Business Travel Policy and Directors' Entertainment Policy.

Remuneration for Management and employees follows the guidelines below:

- ensure that remuneration is commensurate with qualifications, skills and experience;
- ensure that pay levels are internally consistent and aligned with market rates;
- reward employees according to their responsibilities and performance; and
- provide a remuneration package that attracts, retains and motivates employees.

Remuneration also includes a variable component based on the performance of both the Company and the employee.

Directors' Service Contracts

Mr Anil C. Currimjee and Mr M. Iqbal Oozeer have a service contract with the Company, with no prescribed expiry terms.

Consultancy Contract

The Chairman has entered a Consultancy Contract with the Company and the scope of the Contract covers advisory services specifically in relation to Emtel Limited, a subsidiary company.

Directors' & Officers' Liability Insurance

A liability insurance cover for Directors and Officers has been subscribed by the Company. The policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company.

Directors' Interests in Shares

The Directors' indirect interests in the stated capital of the Company at 31 December 2018 were as follows:

Director	Indirect interests in the Company's shares through Fakhary Limited %
Mr Anil C. Currimjee	4.46
Mr Ashraf M. Currimjee	6.63
Mr Azim F. Currimjee	7.28
Mr Riaz A. Currimjee	5.01

PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance

The Board is responsible for maintaining an effective system of risk management and internal control.

The Company's risk management system is set out in more details on pages 100-111 of the Integrated Report.

Internal Control

The Board is responsible for monitoring the system of internal control and should satisfy itself that the system is functioning effectively. Management is responsible for the design, implementation and monitoring of the internal control system. Appropriate processes, procedures and policies incorporating relevant internal controls, have been designed and implemented, to provide reasonable assurance that the control objectives are attained.

The Board has delegated the authority to the Audit & Risk Committee for monitoring and reviewing the effectiveness of the Company's internal control and compliance systems. The Board also relies on the internal audit function to report on any weaknesses in the internal control systems and make recommendations to Management and to the Audit & Risk Committee for appropriate actions.

The Board acknowledges that a system of internal control can only provide reasonable but not absolute assurance against the occurrence of misstatements, human error, losses, fraud and other irregularities.

Whistleblowing policy

The Company has adopted a Whistleblowing Policy, which has been communicated to the Directors and all employees. The Company expects its Directors, employees and anyone associated with the Company, who have concerns about any aspect of malpractices encountered within the Company to come forward and voice those concerns within a defined process without fear of reprisals.

The whistleblowing policy ensures that the whistleblower's identity is treated with confidentiality. However, under certain circumstances and depending on the case, the employee may need to come forward as a witness to assist in the investigation.

PRINCIPLE 6 - REPORTING WITH INTEGRITY

Health and Safety

The Company ensures that its operations are compliant with the Occupational Safety and Health Act 2005. The Company has adopted a Health and Safety Policy and developed a Health & Safety Manual, which will be communicated to all employees upon finalisation.

Environment & Sustainability

The Company is strongly committed to environmental and sustainable management in all its activities and projects. The Company has formally adopted an Environment and Sustainability Statement with the following key commitments:

- endeavour to preserve the environment and manage its operations in a sustainable manner for the well-being of future generations;
- consider environmental and sustainability aspects as an integral part of the business strategy and operating methods;
- continually monitor and improve its environmental performance and support customers', employees', partners', and other stakeholders' environmental and sustainability progress.

CORPORATE GOVERNANCE

It has adopted the Global Reporting Initiative (GRI) framework for Sustainability Reporting and the full sustainability report is available for consultation on the Company's website: https://www.currimjee.com/documents/Sustainability_Report_2016-2017.pdf.

Corporate Social Responsibility

A number of the operating companies of the Currimjee Group channel their CSR contributions (or a part thereof) to the Currimjee Foundation, the vehicle through which the key CSR projects of the Group are managed and monitored. The funds are utilised primarily towards poverty alleviation together with support to education, sports, health and environment. Details of the major projects undertaken by the Currimjee Foundation are available for consultation on the Company's website. https://www.currimjee.com/social-environment/currimjee-foundation.html.

Donations

During the year ended 31 December 2018, donations amounting to Rs 1,118,000 (year 2017: Rs 1,337,000) were made by the Company.

	Year 2018 (Rs '000)	Year 2017 (Rs '000)
Political donations	Nil	Nil
Non-political/charitable donations	1,118	1,337
TOTAL	**1,118**	**1,337**

PRINCIPLE 7 – AUDIT

The Company has an internal audit function, headed by the Chief Internal Auditor. The internal audit department is adequately staffed with qualified personnel and certified internal auditors. The internal audit department operates in line with an Internal Audit Charter and adopts a risk-based methodology that enables it to provide assurance on controls that address high-risk areas.

The Chief Internal Auditor reports independently to the Chairman of the Audit & Risk Committee and the Chairman of the Board on all internal audit issues. He is responsible for providing assurance to the Audit & Risk Committee regarding the implementation, operation and effectiveness of the Company's internal control systems. In this respect, reliance is placed on the work undertaken by internal audit in line with an internal audit plan, as approved by the Audit & Risk Committee. The audit plan ensures that all significant areas of the Company's activities are duly covered in turn over a predetermined timeframe.

The Internal Auditor has unrestricted access to the Company's records, the Chairman of the Company, the Chairman of the Audit & Risk Committee, Management and employees, for the effective performance of his duties.

Following completion of internal audit engagements, salient internal audit observations are reported to Management in a closing meeting. The Internal Auditor presents its internal audit reports to the Audit & Risk Committee meetings, to apprise the Committee of significant audit findings as well as Management's proposed action plans. The Chief Internal Auditor also regularly conducts follow-up audits to monitor progress on the implementation of internal audit recommendations by Management, and reports back to the Audit & Risk Committee thereon, for monitoring purposes. The Chief Internal Auditor works closely with and shares his internal audit findings with the external auditors.

The services of the internal auditor are also solicited to carry out special reviews or investigations at the request of the Chairman, Audit & Risk Committee or Board of Directors.

The Company's internal audit team also provides internal audit services to the Company's subsidiaries.

EXTERNAL AUDIT

One of the principal responsibilities of the Audit & Risk Committee is to review and report to the Board on the clarity and accuracy of the Group's financial statements. When conducting their reviews, the Committee considered the following:

- the accounting policies and practices applied;
- material accounting judgements and assumptions made by management or significant issues or audit risks identified by the external auditor; and
- compliance with relevant accounting standards and other regulatory financial reporting requirements, including the Code of Corporate Governance.

All significant issues raised by the external auditors during the audit are discussed at the level of the Audit Committee and the responses from Management are followed up regularly at Audit and Risk Committee Meetings, until they are fully addressed.

PricewaterhouseCoopers has been providing external audit services to the company since year 2000.

The Audit & Risk Committee has recommended their re-appointment as external auditors, on the basis of their continued performance, effectiveness and independence. An external audit tender exercise has not been conducted. Nevertheless, the external audit partners are periodically rotated and a new partner was appointed for the financial year 2018.

The Audit & Risk Committee has not had any meeting with the external auditor without the presence of the Management. Nonetheless, the Chairman of the Audit & Risk Committee regularly consults the External Audit Partner.

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

	The Group		The Company	
	Year 2018 Rs '000	Year 2017 Rs '000	Year 2018 Rs '000	Year 2017 Rs '000
Audit	7,594	7,595	1,340	1,303
Non-audit	3,706	1,981	2,741	44
Total	**11,300**	**9,576**	**4,081**	**1,347**

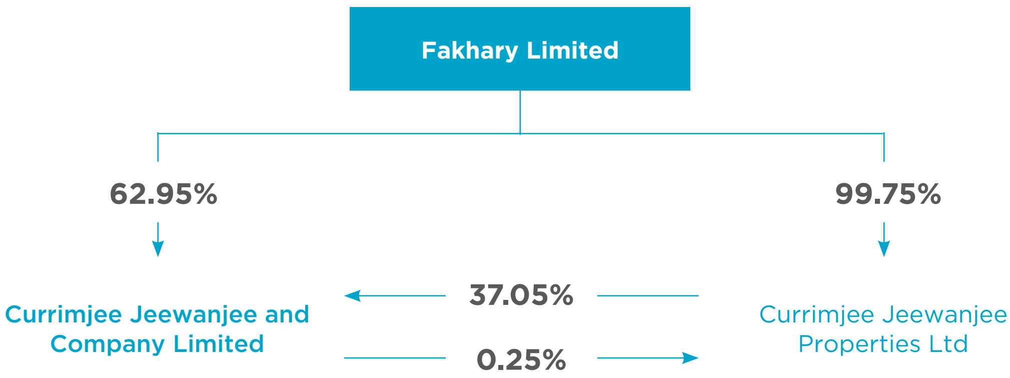
The non-audit fees relate to tax advisory services, consultancy fees and training.

When the services of the External Audit Firm are solicited for providing non-auditing services, the Board ensures that such non-audit services are provided by a team of officers that is completely independent from the external audit team, to ensure that the Auditor's objectivity and independence are safeguarded.

PRINCIPLE 8 - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Ownership Structure

The stated capital of the Company consists of 297,000 Ordinary Shares of Rs 100 each. The shareholding structure of the Company as at 31 December 2018 was as set out below:



The Company's Key Stakeholders are its Employees, Customers, Banks, Regulators/Government, Suppliers, Local Community and Shareholders.

Shareholders Communication and Key Events and Publications

The Board of Directors of the Company understands that communication to Shareholders about matters pertaining to the Company is of great importance and ensures that information is delivered in an open, transparent, meaningful and regular manner. The Company engages with its key Shareholders through existing communications platforms (Annual Report, Shareholders meetings, Website, CJ News & Intranet, Communiqués). Regular presentations are also made to the Company's bankers.

The Company is committed to respond to the needs and expectations of its key Shareholders and takes into account their interests in its dealings with them.

CORPORATE GOVERNANCE

The calendar of key events is as follows:

Financial Year End	31 December
Circulation of Annual Report to Shareholders	June 2019
Annual Meeting of Shareholders	June 2019

Shareholders' Agreement

There exists a Shareholder's Agreement amongst the shareholders of the parent company and the Company is a party to this agreement.

The contents of the Shareholders' Agreement have not been disclosed due to their confidential nature.

Dividend Policy

Payment of dividends is subject to the profitability of the Company, its cash flow, reserves and its capital expenditure requirements. The Board of Directors ensures that dividends are authorised and paid out only if the Company shall, upon the distribution being made, satisfy the solvency test.

During the financial year under review, the Company declared and paid total dividends of Rs 110.4 million (2017:Rs 100.3 million).

Approved by the Board of Directors and signed on its behalf on 10 April 2019

Mr Anil C. Currimjee
Managing Director

Mr Mazahir F.E. Adamjee
Director

STATEMENT OF *Compliance*

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

Name of Public Interest Entity ("PIE"): Currimjee Jeewanjee and Company Limited

Reporting Period: 01 January 2018 to 31 December 2018

We, the Directors of **Currimjee Jeewanjee and Company Limited**, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance, save and except for the following:

Principle 2 – The Structure of the Board and its Committees

Chairman of the Audit & Risk Committee

The Chairman of the Committee, Mr Mazahir Adamjee, is not an Independent Director. Although he is a Non-executive Director, the Board is of the view that Mr Adamjee is duly qualified to act as Chairman of the Audit and Risk Committee, given his strong financial expertise.

Profile of Directors

The Board has decided to only disclose directorships in listed companies. Details of their other directorships are available at the Company's registry.

Principle 4 – Director Duties, Remuneration & Performance

Board Committee Evaluation

The evaluation of Board Committees has not been carried out. This will be considered by the Board in due course.

Principle 8 – Relations with Shareholders and other key Stakeholders.

The contents of the Shareholders' Agreement, which exists amongst the Shareholders of the parent company and to which the Company is a party, have not been disclosed due to their confidential nature.

SIGNED BY:

Mr Anil C. Currimjee
Managing Director

Mr Mazahir F.E. Adamjee
Director

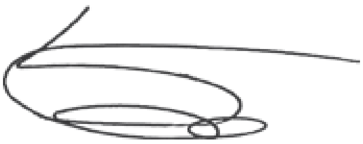
10 April 2019

Secretary CERTIFICATE

UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify that in terms of the compliance report as submitted and approved by the Board, the Company has filed with the Registrar of Companies, for the year ended 31 December 2018, all such returns as are required of the Company under the Companies Act 2001 of Mauritius.

Currimjee Secretaries Limited



Per Ramanuj Nathoo (Mr)

Secretary

10 April 2019

OUR MATERIAL *Matters*

Material Matters are those elements if negatively impacted will prevent us from achieving our strategic objectives. Defining our material matters forms an integral part of our strategic planning process.

The process involves analysing our macroeconomic environment and operating context to identify opportunities and risks and the collection of data on our internal and external stakeholders' expectations. It also entails analysis of our internal capabilities and capitals enabling us to deliver on our strategic objectives.

We have identified 10 most relevant matters for the Group which are presented below in order of importance.

In order to determine the ranking of our material matters, we have gauged the relevance and impact of these material matters on the different capitals of our businesses and its influence on our ability to achieve our strategic objective and hence the creation of value. We have also considered the different stakeholders' preception on the relevance of material in generating/destroying value.

Rank	Material matters	Description	Capitals affected	Strategies to address material matters
1	Maintaining our competitive advantage	We use our combined years of experience to regularly improve on our value proposition in order to retain our customers who use our product & services and increase our market share. We constantly adapt to the disruptive technological environment by offering innovative products & services and leveraging on our combined knowledge-base of our talents.	Financial, Human, Manufactured, Intellectual, Relationship	Focused portfolio, Risk diversification, Operational efficiency
2	Customer satisfaction	In order to build brand loyalty for our customers, we actively listen to them indiscriminately and address any complaints in order to exceed their expectations and prevent churn.	Financial, Human, Intellectual, Relationship	Focused portfolio, Risk diversification, Operational efficiency, Sustainability element
3	People management	By constantly upskilling and reskilling our talent pool, we inspire our people to always go above and beyond. We invest in our diversed and talented people to deliver value at all time for all of our stakeholders and enable us to accomplish our vision.	Financial, Human, Intellectual, Relationship	Focused portfolio, Operational efficiency
4	Governance	CJ is a family owned business of over a century of existence. We always believed that adopting a transparent, robust and resilient system of governance will enable the Group to instill a high performance culture based on well-defined accountabilities.	Financial, Intellectual, Relationship, Social and natural	Focused portfolio, Operational efficiency

FINANCIAL HUMAN MANUFACTURED INTELLECTUAL RELATIONSHIP SOCIAL AND NATURAL

FOCUSED PORTFOLIO RISK DIVERSIFICATION OPERATIONAL EFFICIENCY SUSTAINABILITY ELEMENT

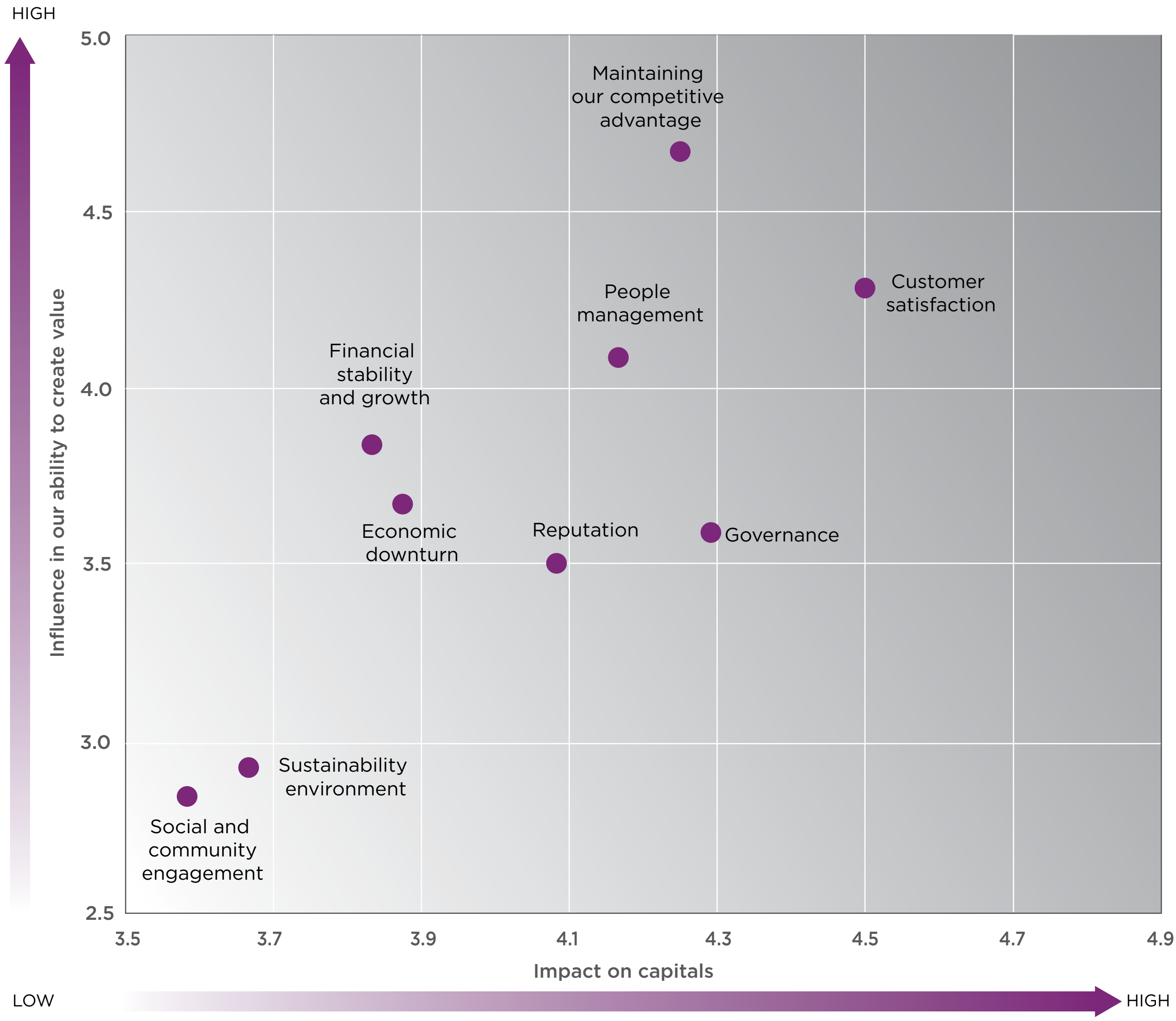
OUR MATERIAL MATTERS

Rank	Material matters	Description	Capitals affected	Strategies to address material matters
5	Financial stability and growth	By diligently implementing our debt reduction plan, diversifying our revenue streams and adopting operational efficiency measures for all our businesses, we plan to improve our financial strength to enable us to grow beyond our existing business lines. This will also enable us to generate an adequate return and liquidity for our shareholders.		
6	Stakeholder engagement (customers JV partners, business partners, authorities, suppliers and shareholders)	Maintaining positive relationships with our key stakeholders is the foundation for our ability to create value. Sustaining these relationships requires proactive engagement and the right strategies. We firmly believe that such relationship will stand the test of time only if it is based on mutual trust and respect.		
7	Reputation	We are ethically responsible in everything that we do. We set behavioural standards in all of our interactions with our stakeholders and we strive to deliver on our promises. We actively monitor responses from all our stakeholders through media and surveys and respond accordingly in order to protect our brands, reputation and our value.		
8	Economic downturn	Our businesses are connected to the local macroeconomic environment. Our ability to create value is dependent on key economic drivers. The consequences of an economic downturn and the resulting market situation affect our ability to achieve set objectives.		
9	Sustainability - environment	In order to leave a legacy to the future generations, we tap on our over 125 years of experience, to determine what we will leave behind for the organisation and the people we serve. In this context, we adopt a responsible attitude in all matters relating to the environment so as to limit our impact.		
10	Social and community engagement	We believe we have a duty of care to the society at large. We actively partner with the community to help building a better tomorrow.		

FINANCIAL HUMAN MANUFACTURED INTELLECTUAL RELATIONSHIP SOCIAL AND NATURAL

FOCUSED PORTFOLIO RISK DIVERSIFICATION OPERATIONAL EFFICIENCY SUSTAINABILITY ELEMENT

OUR MATERIAL MATTERS MAP



RISK Management

OVERVIEW

Currimjee Jeewanjee and Company Limited (CJ) has established a clear and defined organisation for risk management, including ownership and accountability for managing and reporting on risk throughout the Company and its subsidiaries.

The Boards of CJ and its subsidiaries are responsible to ensure that their respective company develops and executes a comprehensive and robust system of risk management.

CJ has adopted an Enterprise Risk Management (ERM) framework which is based on an internationally recognised framework as defined by the Committee of Sponsoring Organisations of Treadway Commission ("COSO"). This framework is being used to implement ERM across CJ and its subsidiaries.

An Audit and Risk Committee is constituted as a committee of the Board of Directors of CJ. The role of the Committee is to assist the Board to ensure that:

- the Company has implemented an effective plan for risk management that will enhance the Company's ability to achieve its objectives; and
- the disclosure regarding risk is comprehensive, timely, relevant.

This Committee has an independent role and operates as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other members of senior management.

GOVERNANCE

CJ has adopted the "Three Lines of Defence" model, which is endorsed by the Institute of Internal Auditors. This provides comfort to the Board that the ERM system is operating effectively throughout the organisation including the assurance function.

BOARD

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AUDIT AND RISK MANAGEMENT COMMITTEE

SENIOR MANAGEMENT

1st Line of Defence	2nd Line of Defence	3rd Line of Defence	External Audit	Regulator
(functions that own and manage risk)	(functions that oversee or specialise in risk management, compliance, etc.)	(functions that provide independent assurance)		
Under this first line of defence, CJ and its subsidiary companies establishes a clear and defined organisation for risk management, including ownership and accountability for managing and reporting on risk throughout the Companies.	The second line of defence relates to the risk management function and consists of activities on any subject related to Risk Management and it oversees the effectiveness of the development, implementation, and maintenance of risk management.	Using a risk based approach, the internal audit function provides assurances on the effectiveness of the risk management and internal control systems.		

RISK MANAGEMENT CULTURE – CURRENT MATURITY LEVEL

The Board of Directors recognises the importance to establish a culture of risk management across the Company and its subsidiaries in order to make risk management effective. The Board ensures that executive management is provided with necessary resources to enable them to promote and maintain an acceptable level of risk management culture.

Risk management is embedded into the Company objectives. This is achieved by incorporating risk management in the yearly strategic process.

Senior management enforces risk management policies and procedures approved by the Board of Directors or by itself and review regularly compliance against them.

ENTERPRISE RISK MANAGEMENT CONCEPTS

For CJ, ERM is the foundation concept for managing and monitoring risks within its businesses. The premise in endorsing an ERM is to consider and address all types of risks that could adversely affect an organisation in achieving its business goals/objectives. In effect, efficient and adequate resources should be planned and deployed to manage those risks that may jeopardise growth thereby attaining the optimal balance between business growth and risks.

Objectives

The organisation's objectives must exist before Management can identify events (risks) potentially affecting their achievement. Enterprise risk management ensures that Management has a process in place to set objectives and that the chosen objectives support and align with the entity's mission/vision. CJ management also ensures the following:

- the defined corporate objectives are broadly understood and communicated throughout the organisation;
- objectives include strategic, financial, operational, compliance, human capital and reporting type objectives;
- business unit and functional objectives and strategies are clearly aligned with overall corporate objectives.

ENTERPRISE RISK MANAGEMENT PROCESS

The ERM, at CJ and its subsidiary companies, is a systematic approach to identify risk faced by the Company and takes appropriate steps to control or mitigate the risk. The ERM process consists of the following:

Analysis

The principal goal of the Analysis stage is to understand the Company's business process and collect sufficient information to carry out the Risk Identification and Assessment stages.

RISK MANAGEMENT

Risk Identification

The primary goal of the Risk Identification stage is to identify all risk events, which the company may face, at the outset of activities. This requires undertaking two key activities: think through and recognising the "source" of the risks and searching out and identifying the risks.

Risk identification is a dynamic process which requires constant update as risks change with change in the environment and market conditions.

Risk Assessment

The purpose of the Risk Assessment stage is to provide a judgement of the likelihood and impact of the risks identified. The benefits of undertaking this activity are that assessment provides an order of pain for each risk.

Risk Evaluation

Risk Evaluation is used to understand the likely risk exposure to the Company which may arise from a business activity.

Risk Responses

Once a rating has been assigned to a risk, Management has to decide on controls that have to be put in place to mitigate/treat the risk. The purpose of implementing control is to reduce the risk to acceptable level, which have been defined by the Company.

Depending on the risk rating, impact and probability of risk happening, the Company may decide to take one of the following actions so as to control the risk:

Avoidance – informed decision not to be involved in, or to withdraw from, an activity in order not to be exposed to a particular risk.

Manage – form of risk treatment by which the organisation tries to reduce either impact or probability.

Sharing – form of risk treatment involving the agreed distribution of risk with other parties.

Accept – informed decision to take a particular risk.

Risk Management/Control Activities

Management identifies control activities needed to help ensure that risk responses are carried out properly and in a timely manner.

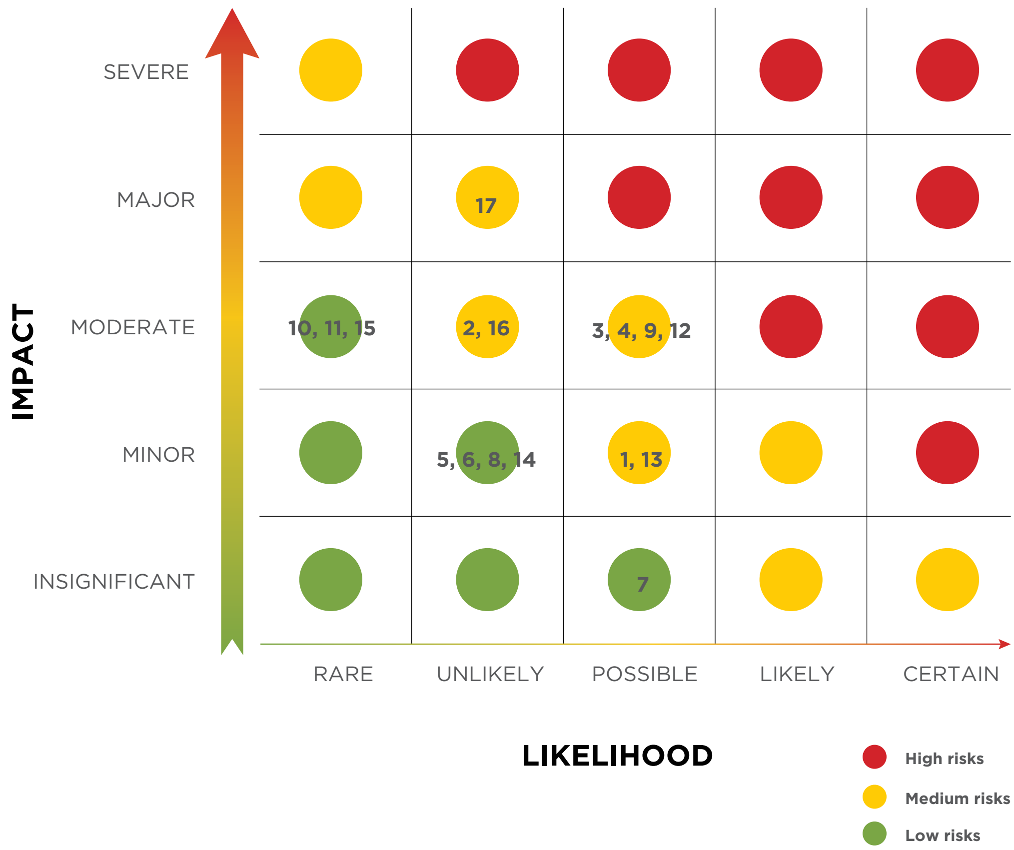
Selection or review of control activities includes consideration of their relevance and appropriateness to the risk response and related objective.

MANAGING KEY RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The (material)/key risks are assessed by the Management of each company and at corporate level followed by the identification of mitigating measures so as to reduce them to an acceptable level having regard to the achievement of objectives of the company.

The risk map and table below provide an overview of the key residual risks and the relevant mitigating measures.

RISK MAP



RISK MANAGEMENT

RISK REGISTER

#	Risks Relating to our Businesses and Industry	Description & Risk Context	
1	Economic downturn and market situation	The consequences of an economic downturn and the resulting market situation affect our ability to achieve set objectives.	
2	Technology	Failure to adapt to rapid change and evolution in technology due to: • Our inability to anticipate threats • Our inadequate and/or limited knowledge of the industry • The presence of disruptive players • Demographic shifts of the target customers (Generation Z/ millennials) • Our inability to attract the right talent • Inability to leverage on technological strengths to improve processes impacting internal and external customers due to failure to embrace digitalisation	
3	Innovation	Inability to maintain a sustainable business due to: • Lack of a focussed strategy on innovation • Lacking skilled resources	
4	Customer satisfaction	Failure to meet the customers' expectation due to: • Lack of skills, competencies and training of our personnel • Lack of sound systems, policies and processes • Lack of employee engagement • Poor quality products and services • Lack of support from suppliers • Absence of customer surveys or Customer Satisfaction Index is not defined • Service level agreement (SLA) not formalised with outsourced parties	

	Response To Risks	Strategies Impacted	Risk Rating
	• Monitoring of key national economic indicators • Review of strategy at strategic committee level • SWOT analysis and re-assessment of environment & offers and value proposition • Internal capacity to amend and adjust the business model • Maintain financial resilience plan by focussing on debt, cost management and revenue diversification		Medium
	• Strong international strategic partners which bring and share their expert knowledge and awareness of what is happening on the international scene and how we may react to such changes and evolution. We are also in contact with international experts • Clear vision and foresight of adopting new technologies and building future ready network capabilities and IT infrastructure to provide customers with innovative services and products such as, but not limited to, the internet of things, artificial intelligence and virtual assistance and software defined network • The relevant companies are flexible in their approach and such flexibility gives us the possibility to optimise/change technology to offer best products • Strong resilient attitude of the Management • HR policies and practices help us in attracting talents and building up of a strong team of IT professionals across the Group • Digitalisation roadmap is in place and the Group has already embarked on the digitalisation process in a phased manner		Medium
	• Focussed strategies on continuous innovation and our ability on more agile service creation • Talent pool dedicated to innovative products • Innovation being at the core of our business survival, the Group has over time instilled a culture of innovation in a sustainable manner		Medium
	• Regularly revisiting our product offering to meet evolving customers' expectation • Tracking of customer satisfaction level through surveys and customer complaint management system. This tracking system is being upgraded and closely monitored for appropriate actions • Appropriate customer surveys are carried out at major companies • Skill gaps are addressed through training on product and service delivery • SLAs for deliverables are present		Medium

FOCUSED PORTFOLIO RISK DIVERSIFICATION OPERATIONAL EFFICIENCY SUSTAINABILITY ELEMENT

RISK MANAGEMENT

#	Risks Relating to our Businesses and Industry	Description & Risk Context	
5	Reputation	Failure to protect the image of the company due to: • Non-compliance with applicable laws and regulations • Non-conducive interaction with our stakeholders as a result of misrepresentation, unethical and fraudulent behaviour • False promises on the delivery standard of products and services • Lack of sound internal governance principles and risk management system	
6	Cyber threats	Disruption/halt in IT operations due to cyber threats or any major unforeseen events	
Human capital			
7	Talent management and succession challenges	Failure to attract and retain key personnel and to secure backup resources for key positions as a result of: • HR policies not properly defined or inexistent • Being unattractive as an employer • Wrong perception of the Group • Poor talent management system • Lack of succession planning • Existing management resistant to change • Low employee engagement • Cost issue (lack of investment in talent development)	

	Response To Risks	Strategies Impacted	Risk Rating
	• The Group has a strong governance system in place • Code of Conduct defined and signed by all employees and board members • Whistleblowing policy across the Group • Assurance exercise by both internal and external auditors on compliance matters • Dedicated communication department at corporate • Relevant PR cell in place as and when required • Prompt response to stakeholders' across all media • Monitoring of press and media releases on a daily basis • Regular feedback from customers on matters pertaining to customer satisfaction • Sustainability policies in place • Values constantly reaffirmed		Low
	• Ongoing monitoring of IT infrastructure environment • Yearly drills and assessment of disaster recovery facilities • Access to IT resources are limited and secured • User awareness on Information Security carried out yearly • External IT audit (pen test conducted yearly) • To implement a business continuity plan		Low
	• A formal recruitment policy has been implemented with clear system and policies • Outcome of the employee engagement surveys are being addressed and the engagement level of the employees regularly monitored • The Code of Conduct and HR policies have been reviewed and redefined where necessary • A formal talent development system is in operation for the Group companies • A formal performance management system is in place • Succession planning has been initiated • Salary benchmarking exercise usually conducted every 3 years to ensure alignment • Leadership development initiatives through coaching plans and individual development plans implemented • Continuous investment to improve the work environment • An HR committee of the Board is in place and meet at defined intervals		Low

FOCUSED PORTFOLIO RISK DIVERSIFICATION OPERATIONAL EFFICIENCY SUSTAINABILITY ELEMENT

RISK MANAGEMENT

#	Risks Relating to our Businesses and Industry	Description & Risk Context	
Investment and Financial Risks			
8	**Financial stability**	Failure to secure financial resilience across the Group companies due to: • poor governance principles • high gearing • unclear dividend payout policy • erroneous financial reporting and lack of controls	
9	**Portfolio mix**	Failure to maintain a diversified portfolio due to: • poor investment strategy • unbalanced focus on specific business • risk appetite not conducive to growth and diversification • inadequate culture for innovation/business incubators • long time to market • lack of foresight	
Industry (sector) Risks			
Telecom & Media			
10	**Contents rights**	Failure to secure content rights due to: • Content providers not able to renew their rights • Unavailability of substitute contents • Pricing	
11	**Trend in content consumption**	Risk associated with the shift in content consumption from linear transmission to "catch up" and "video on demand".	
12	**Content Piracy**	Illegal provision of free or paid contents and services in Mauritius due to: • Technical and economic opportunities to provide such contents/ services • Lack of monitoring by the regulator	

	Response To Risks	Strategies Impacted	Risk Rating
	• A corporate finance committee in place to look at financial planning and strategies • A medium term debt management plan has been worked out and agreed with the debt providers and is being implemented and monitored through KPIs such as DSCR, interest cover and gearing. The main objective being reduction of debts at the level of the holding company by acting upon the leveraging capability prevailing at the level of the relevant operating companies • Finance matters are discussed at different forums such as management and board meetings and also during the annual operating plan exercise • Open communication with the finance providers on a regular basis • All projects go through a feasibility study process which includes the assessment of proposed funding plan • A dividend policy has been devised • Financial internal controls are in place and assurance exercises are carried out to ensure their compliance and effectiveness		Low
	• Diversification of revenue is a major strategic direction and is subject to review on a regular basis at the strategy and finance committee of the Board • Current strategies favour investment in hospitality and focussing on new segments such as home broadband, enterprise, delivering contents and development of existing real estate assets		Medium
	• Strategy in place for the management of rights • Support and strong agreement with our content providers • Constant monitoring of potential alternate channels and contents		Low
	• Response to the shift in the customer consumption pattern by providing the required innovative products (myCanal, On Demand Content, Play) and leveraging on broadband offers • Technology strategy aimed at providing contents anywhere, anytime and on any device • Investment in people and building skills and the required infrastructure		Low
	• Monitor and track the pirate content providers • Actions by telecom operators to ban access to illegal broadcasters in Mauritius • Seek assistance and intervention of the regulator		Medium

FOCUSED PORTFOLIO RISK DIVERSIFICATION OPERATIONAL EFFICIENCY SUSTAINABILITY ELEMENT

RISK MANAGEMENT

#	Risks Relating to our Businesses and Industry	Description & Risk Context	
Real Estate			
13	**Attractiveness and competitiveness of our properties**	Failure to ensure the attractiveness and competitiveness of our properties due to: • Shift in customer preference and behaviour (including migration) • Evolution in competitor's offering • Current structure, age and limiting factors of existing properties • Poor accessibility to the property • No access to technology • Change in the physical environment • Inability to conform to green & sustainable conditions	
Hospitality			
14	**Construction risks (hotel)**	The construction of the hotel started in 2018 and we are currently exposed to the following key risks: • Cost overrun during the construction phase • Non-delivery of a quality end product by our contractors/ subcontractors • Delay in the completion of the project	
15	**Estates (villas) project risks**	Implementation risks • Not obtaining all the necessary permits • Having the right mix of consultants • Delay in start of construction • Not completing the project within set parameters on costs and quality standards • Unfavourable market conditions resulting in lower demand	
16	**Litigation**	Litigation on environmental issues as a result of unwarranted actions from local pressure groups resulting in delays and unforeseen cost	
17	**External factors affecting the attractiveness of our destination**	Risk that our country may not be regarded as an attractive destination due to: • Political instability • Health and security issues • Natural disasters • Perception of being an expensive destination • Human rights and environmental records • Threat of terrorism	

	Response To Risks	Strategies Impacted	Risk Rating
	• Strategic reviews of the business and the environment are carried out regularly and any changes required to adapt to the market environment prevailing are considered • Our facilities management unit embraces the green building initiatives • Being a member of the Green Building Council Mauritius, the Management is kept abreast of the green environmental friendly and sustainability best practices in real estate development • One of our properties is classified as a Stock Exchange of Mauritius Sustainability Index (SEMSI) company		Medium
	• The project provides for contingencies • Judicious selection of contractors and sub-contractors. Consultants with good track records have been appointed for the project • Continuous monitoring of the construction progress with the main contractor • A procurement committee has been established to oversee the tender exercises until final approval		Low
	• A dedicated and experienced team for the purpose of securing all necessary permits • A regular monitoring of progress on key milestone • Consultants with good track records have been appointed for the project • Option of transferring villas into a rental pool for the hotel		Low
	• Fulfilling all the conditions of the EIA report • In line with our values, our project was based on a fundamental principle which is to protect and enhance the environment around which the hotel is being implemented		Medium
	The government has adopted measures to enhance the attractiveness and to protect our destination such as: • Road shows together with regular promotions by the airlines • A disaster and crisis management in case of natural calamities • A protocol to contain the possible spread of an epidemic outbreak • Threats of terrorism are taken seriously		Medium

FOCUSED PORTFOLIO   RISK DIVERSIFICATION   OPERATIONAL EFFICIENCY   SUSTAINABILITY ELEMENT

INTE

GRITY

As one group, we are known for always doing what we say. Through honesty, fairness and respect, we aim to build long-term relationships with all stakeholders.

MANAGING DIRECTOR'S *Message*

ANIL CURRIMJEE
MD

OVERALL CONTEXT

2018 was a two-edged year for the Mauritian economy. In a turbulent global environment with heightened volatility and larger risks, the Mauritian economy was boosted by increased consumption, increased public sector investment and an increase in consumer confidence to achieve a very respectable performance.

However, at the same time, different economic strains were visible and became more apparent as the year progressed. The sugar and textile sectors faced very serious challenges and the tourism sector showed signs of a slowdown towards the end of the year. The current account deficit continues to widen year-on-year and our national debt is also worsening. These two macroeconomic indicators need to be addressed so as to avoid further strain on the economy.

OVERALL PERFORMANCE

In addition to this difficult and challenging environment, the Group was faced with disruptive technologies within the ICT sector. In this context, the performance of CJ is even more rewarding. Our financial performance in 2018 showed a noticeable improvement compared to 2017. Group turnover increased by 8.8% to Rs 4.9 billion, mainly driven by the performance of the Technology cluster. On the back of a cost base very much under control, Net Profit Before Tax of the Group increased by 5.7% to reach Rs 628 million.

The improved performance was fuelled by surging growth in the new market and product segments within the Technology sector. Our capacity to be innovative in terms of new products and services is based on our strategy to always stay ahead of the curve in investment. In 2018, Emtel's total investment increased substantially to Rs 732 million compared to Rs 469 million in 2017. This, and other investments, enabled Emtel to offer not only new products and services, but also better risk management solutions for its Enterprise customers.

The Hospitality cluster's performance was impacted positively with fair value gains on our investment properties. Even though the operating companies of the Real Estate cluster's performance were much better than in 2017, the overall result in 2018 was less favourable due to impairment adjustments.

Another highlight of our 2018 performance was our investments in the Energy cluster. Total (Mauritius) Ltd has been able to marginally increase its profit level, above that of 2017, despite a competitive and difficult regulatory environment.

"IN ADDITION TO THIS DIFFICULT AND CHALLENGING ENVIRONMENT, THE GROUP WAS FACED WITH DISRUPTIVE TECHNOLOGIES WITHIN THE ICT SECTOR. IN THIS CONTEXT, THE PERFORMANCE OF CJ IS EVEN MORE REWARDING. OUR FINANCIAL PERFORMANCE IN 2018 SHOWED A NOTICEABLE IMPROVEMENT COMPARED TO 2017."

RS 628 M
NET PROFIT BEFORE TAX

The Group also hold shares in Bharti Airtel Limited in India. In 2018, the share price fell significantly and the Group recorded a loss of Rs 335 million compared to a gain of Rs 438 million in 2017. This has affected negatively the Group's OCI in 2018.

DRIVING STRATEGIC GOALS

Whilst delivering considerable improved 2018 results, Currimjee Jeewanjee also made positive strides in line with its strategic direction and objectives.

1.
Repositioning CJ businesses, mainly through review of its portfolio resulting in a more focused CJ :

In this context, 2018 also saw an acceleration in the streamlining of activities. Cheribinny's activities were limited to financing only group businesses and at the end of the year, it merged with Batimex resulting in a more focused and efficient organisation.

Discussions to exit the call centre business were positive and we expect to exit this business by end April 2019. And finally, a management buyout took place at AMC.

In a world where convergence is accelerating, the boundaries between products and markets are

MD'S MESSAGE

becoming blurred. This requires a greater focus on how businesses are organised and how to better meet the customers' expectations. Over the course of 2018, the Telecoms, Media and IT companies also accelerated their focus on working together, leveraging the skills and assets across the different companies to better understand and meet the needs and expectations of our customers. A number of formal work teams from the cluster's different companies have been finalised and are gaining traction. This common window and sense of belonging will be a source of innovation, new services, products and service levels, while serving us positively in the coming years.

2.

Addressing risk concentration through diversification of our business portfolio

A number of projects and initiatives took place during 2018 in line with our strategic goal to diversify our business portfolio, which would result in a reduced risk concentration.

For a number of years now, within the Technology cluster, we have been addressing the severe disruption facing the businesses regarding changing customer habits and innovations in technology. Our results in 2018 demonstrate that we have been successful in meeting this severe threat so far. We are increasing our efforts not only to counter the effects of disruption, but also take advantage of the opportunities presented by this disruption. In 2018, numerous developments and projects were initiated by MC Vision and Emtel. These aimed to offer our customers new services that focus on content aggregated across all forms, platforms and devices in a uniform and seamless manner. Similarly, our Enterprise segment has initiated the development of numerous products and services to further strengthen its position. These developments are progressing steadily and should impact us positively as from 2019.

Currimjee Jeewanjee owns substantial property assets situated in prime

locations. Over the last two years, Currimjee Jeewanjee has invested over Rs 175 million in two real estate developments. These developments will bring CJ's portfolio of developed property assets held for investment to over Rs 1.0 billion and will enable CJ to improve its yield in this segment.

Without a doubt, the most rewarding development project in 2018 was the start of the construction of our hotel in Le Chaland. A couple of years ago, Currimjee Jeewanjee embarked on a journey to enter the Mauritian tourism sector. Construction of our first hotel was scheduled to commence in November 2015, but was delayed by over two years due to vicious attacks from a handful of opponents with arguments based on lies, false and baseless allegations.

As we have done throughout the years, to overcome this challenge we stuck to our values, faced our opponents and won all our battles decisively. In various courts, all their baseless allegations were decisively dismissed. The two-year-long battles with the opponents were very costly and were a major stress for the Group. But, it brought us together, reinforced us as a team and made us stronger. We are proud of this project, which has always been in line with our values, and I am proud of our Hospitality team and those from our Corporate office who worked tirelessly and passionately, never giving up and

THE TWO-YEAR-LONG BATTLES WITH THE OPPONENTS WERE VERY COSTLY AND WERE A MAJOR STRESS FOR THE GROUP. BUT, IT BROUGHT US TOGETHER, REINFORCED US AS A TEAM AND MADE US STRONGER. WE ARE PROUD OF THIS PROJECT, WHICH HAS ALWAYS BEEN IN LINE WITH OUR VALUES.

always believing in themselves and the project.

The construction of the hotel is progressing well and Anantara Le Chaland should be operational by the last quarter of 2019. One of our main concerns was to ensure that the hotel is an example of environmental and social sustainability. In line with this, we have not only met all the lease conditions, but also incorporated a number of other sustainability initiatives.

Minor International, our management partner – who will manage the hotel under the Anantara brand – has values closely aligned with ours. They are also recognised as committed leaders in sustainability and have been members of the Dow Jones Sustainability Indices since 2014.

Over the years, Currimjee Jeewanjee has invested over Rs 1.3 billion as equity in our Hospitality projects at Le Chaland (which includes the hotel and the Real Estate components). The revenue generated for Currimjee Jeewanjee once Anantara Le Chaland becomes operational will enable us to monetise our real estate investment and further our investment in the tourism sector.

The above-named projects and initiatives carried out by the different clusters will enable the diversification of CJ's revenue and allow the Group's holding company to implement the debt reduction plan and thereby improve its risk profile.

3.
Build organisational strength and achieve optimum operational excellence

We celebrated our 125-year anniversary in 2015 and since then a number of organisational initiatives have been introduced. We would not have achieved our improved performance nor progressed on projects or initiatives if we did not become a stronger, more effective and efficient organisation. This goal was one of our strategic objectives and formed the foundation of all our actions and the journey towards this objective started with investing in our people and talent. Again, this has been a process initiated over a number of years, with an increased momentum in 2018. The performance management system was extended throughout the organisation, formal talent development programs were initiated, along with formal succession planning and business continuity programs. A leadership program aimed at improving our leadership skills and building our leaders of tomorrow was also launched with the support of RBL, a leading international leadership consultancy.

These programs were accompanied by a major drive in Engagement initiatives built around the AON Hewitt engagement model. At the end of 2018, the Group engagement score rose from 46% to 61% with a number of our companies in the highest bracket of engagement.

At the end of 2017, we launched our co-working space at Currimjee Arcades, Curepipe, Le Nénuphar, which became fully operational at the beginning of 2018. Through this project, we aimed to create a space that embodies our brand, our vision, and our values... A space that could tell our story and project our future... An open space in which it would be possible to experience our products and brands... A space where people would gather to share ideas, formally or informally, with one very clear objective: to cultivate and amplify the unity of the Group.

All these initiatives are part of a clear strategy to build a stronger Currimjee brand, create a stronger sense of belonging to the Group, and reinforce our values to form a

MD'S MESSAGE

more united team. Our focus has also been on building an engaged, passionate and effective team with respected and visionary leadership skills. On this subject, we saw significant progress in 2018 and it will be the mainstay of our continued progress.

We also successfully launched our Digitalisation program in Corporate Finance, which will be rolled out throughout the subsidiaries throughout 2019. Our Shared Services were also extended to Corporate Finance. Digitalisation and Shared Services will bring job enrichment, greater revenue opportunities and also help us in the drive for cost efficiency. They will also make us into a more customer-centric organisation and enable us to move consciously through different programs for enhanced customer centricity.

Currimjee Jeewanjee also invested in its private cloud, which will service all its subsidiaries thus providing the advantages of scale, lower costs, better security management, as well as standardisation of systems and quality levels.

4.
Create long-term stakeholder value through the implementation of a business strategy with a sustainability element and make sustainability an integral part of product offerings to clients

A fourth strategic goal was to build a more sustainable organisation and incorporate more sustainability initiatives in all our businesses. This is in line with our values and our responsibility to the community and the next generation who are going to inherit the consequences of our actions. It is also because we believe that it makes sense when it comes to running a business. Today, stakeholders demand a commitment to sustainability and businesses with a higher commitment to sustainability will better be able to attract top talents.

We have made good progress on this front. All the businesses have introduced projects and initiatives to reduce consumption of electricity, water, paper and other resources. Waste management is actively monitored and the results of these actions have been very positive as detailed in our Sustainability report. As mentioned above, and also in more detail on pages 46-51 of our Integrated Report, our Anantara Le Chaland Resort features sustainability measures never before incorporated in Mauritian hotels.

Currimjee Foundation, which manages our CSR, has also focused on a number of sustainable initiatives. This includes its commitment with Friends of the Environment for the reforestation of La Citadelle – which concluded our fifth year of collaboration on this initiative.

Currimjee Foundation also entered into multi-year agreements with The Mauritian Wildlife Foundation (MWF) and Reef Conservation to collaborate on various projects pertaining to the environment with participation from our team members.

We not only sponsor these initiatives financially, but in 2018 over 674 of our team members participated in various sustainability activities.

OUR VERY POSITIVE 2018 PERFORMANCE, PROGRESS ON DIFFERENT PROJECTS, INITIATIVES AND INVESTMENTS ENSURE THAT WE ARE VERY MUCH ON TRACK IN REGARDS TO OUR STRATEGIC DIRECTIONS AND GOALS SET OUT IN OUR THREE-YEAR PLAN.

WAY FORWARD

Our very positive 2018 performance, progress on different projects, initiatives and investments ensure that we are very much on track in regards to our strategic directions and goals set out in our three-year plan. Moreover, the foundation of the CJ Group is built on two pillars namely our values and governance, which pave the way for all our future initiatives and projects.

Before ending, I would like to share a few thoughts on our first Integrated Report. Just as Le Nénuphar is a physical representation of our brands, history, values, purpose and way forward, this Integrated Report is a written expression of our values, who we are and how we move forward together. Nevertheless, it is not just a report. The process of creating it has been an exercise that brought us together, reflects our values, focused our minds, carried our purpose to the forefront and given us a common vision. It has made us stronger and will enable us to take Currimjee Jeewanjee to the next level.

APPRECIATION

In conclusion, I would like to thank the Board Members for their leadership, guidance, support and ideas. My heartfelt acknowledgement also goes to the Group's leadership team for their contribution, commitment, support, relentless drive and engagement. And last but not least, I would like to thank our employees for their efforts, passion and dedication to building a better CJ. Without a doubt, we have taken the right path on this journey towards creating sustainable value. **Together building a better tomorrow through a value-driven culture.**

FINANCIAL PERFORMANCE *at a glance*

+8.8%

REVENUE

2018: RS 4.87 BILLION
2017: RS 4.47 BILLION

+40.0%

OPERATING PROFIT

2018: RS 827 MILLION
2017: RS 590* MILLION

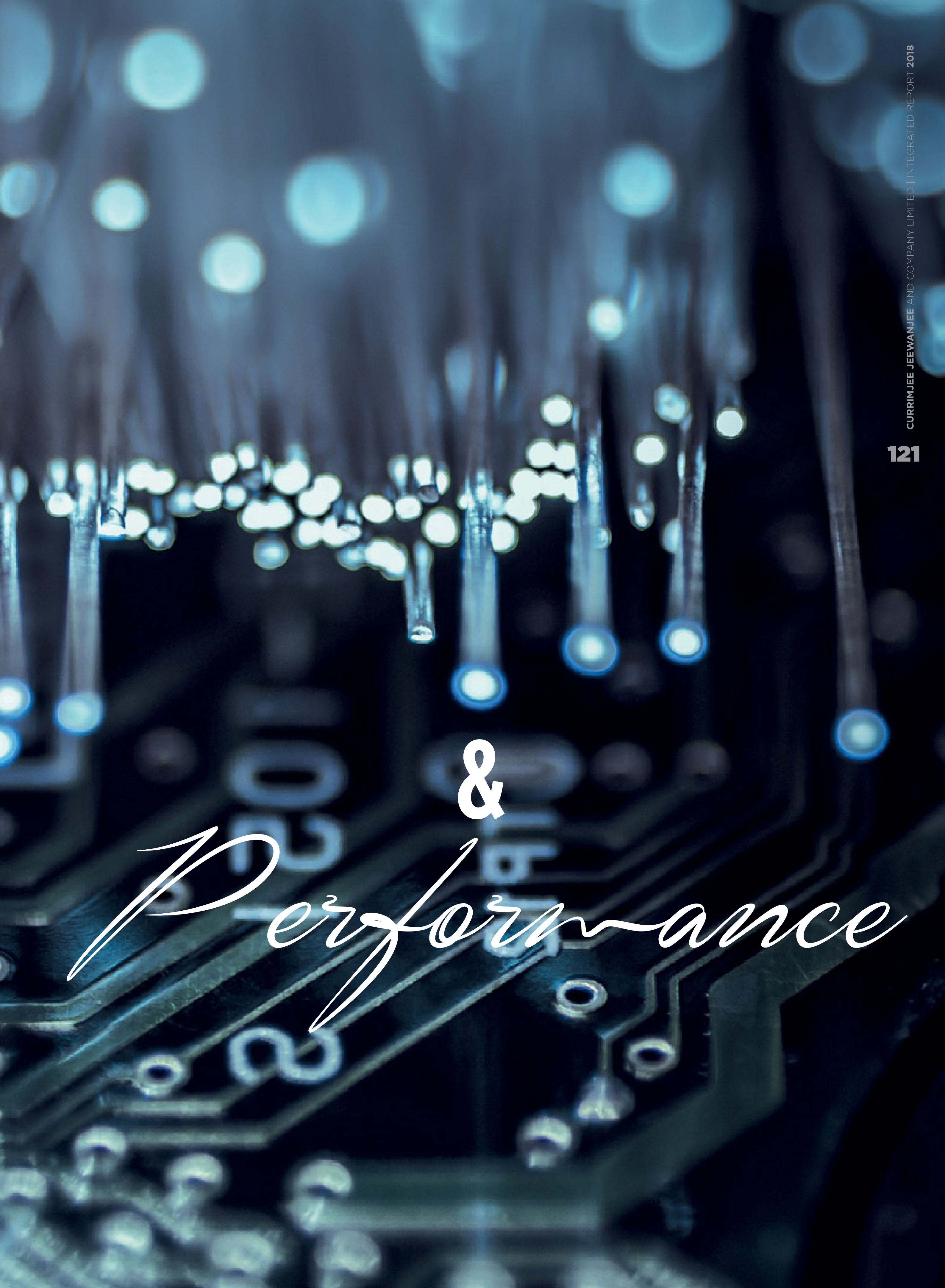
** This amount excludes exceptional profit realised on sale of quoted shares amounting to MUR205M in 2017.*

-4.3%

NPAT

2018: RS 421 MILLION
2017: RS 440 MILLION

SECTOR OUTLOOK, OUR STRATEGIES



& Performance

TELECOMS, MEDIA AND IT

OVERVIEW - SECTOR OUTLOOK, OUR STRATEGIES AND PERFORMANCE

The two main companies of the cluster are Emtel and MC Vision. The former, launched in 1989, was centered around one product – mobile voice communications and two distinct markets – the individual and the enterprise. Emtel had started operations with only 3 base stations all connected by Microwave links and 0 kilometer of fibre. MC Vision at its launch was also centered around one product – broadcast of 2 channels over terrestrial frequencies and one distinct market – the home market.

Today, together with Currimjee Informatics and Screenage, the cluster companies operate in three distinct markets – the enterprise market, the home market and the individual market.

Emtel has evolved, following years of investment and a strategic vision, into a full-fledged telecommunications provider offering numerous products (mobility products, fixed line products, data products, service products, security based products, etc.) and also operates in the home market. And MC Vision has also evolved into a sophisticated provider of premium and exclusive content, in different forms (linear and non-linear), across different technology platforms and to different devices.

This evolution has been possible as a result of our commitment and drive to always embrace change, take opportunities presented by the evolution within the sector and invest before the curve so as to lead the change and not be overtaken by it.

In 2018, the cluster generated a turnover of Rs 4.5 billion, an operating profit of Rs 1,038 billion and a net profit before tax of Rs 965 million.

At a macroeconomic level, the technology sector is growing healthily in Mauritius. However, the growth in the traditional mobility market is slowing. The SIM penetration had reached 145% in 2017 and over 146.2% in 2018.

Despite the positive picture at sectorial level, structural disruption driven by technological changes and customer habits are impacting all the products of our companies in this cluster.

Although the SIM penetration is rising at a slower pace, the market for our traditional product – voice over mobility – is falling. From a peak of 2.3 million minutes for local voice mobile communications in 2013, the total market fell to 1.8 million minutes in 2017. A fall of nearly 22% over the 4-year period. This is driven by OTT Apps and other products (such as WhatsApp amongst others) and the ever-increasing spread of WiFi and specially free WiFi. These changes have also impacted heavily the other related products such as international voice calls, roaming and SMS.

The Pay TV market has still room for growth. However, the Pay TV industry is also going through a period of heavy disruption.

Pay TV has been impacted by a number of factors. The sale of content rights which was previously organised by regions across the world is increasingly getting global, thus impacting the ability of local players to even secure rights.

This is driven by an increasing number of worldwide players such as Netflix, Amazon Prime taking advantage of OTT to deliver the products directly to their customers worldwide, thus steamrolling established players.

This change is also accompanied, not surprisingly, by a substantial increase in the cost of content, which is impacting margins as the industry, in the face of competition, is unable to increase prices.

Changing customer habits, specially among the younger consumers is fueling the growth of non-linear content consumption and the “cord-cutting” phenomenon. This is more prevalent in USA and Europe, but will impact the industry worldwide.

Content piracy is on the increase and is impacting the industry very negatively. New technologies associated with content piracy – “streaming of live content” – adversely affect the industry’s business model.

The disruption in the voice mobility and Pay TV would not have been possible without quantum leaps in the network delivery technology.

TELECOMS, MEDIA AND IT

From analogue to digital components, from 2G with speeds of 0.04 Mbps to 4G LTE with speeds well over 20 Mbps, from ADSL connections to fibre to home connection speeds of over 30 Mbps, from delivery of content by satellite to delivery of content via the mobile and fixed telecommunications network – these network developments have and will continue to fuel disruption, create challenges and also opportunities in this sector.

The most logical (visible) opportunity is in the data product – both mobile and fixed data.

As a product, mobile data's consumption has exploded. Mobile data users in Mauritius have doubled between 2013 and 2017 to reach 1 million subscribers in 2017 fulled by cheaper and more powerful smartphones, better networks and ever cheaper data packs.

Fixed broadband connections have also increased substantially to reach 246,000 connections in 2017 from 162,000 connections in 2013.

These growing product segments are a welcome relief to the falling voice and SMS market. However, this relief is mitigated by heavy competition limiting revenue growth in the data markets, increasing demand for investment in the network and greater complexity in managing networks for different products which require a new set of skills.

The new data products have also led to convergence between the content and broadband industries giving rise to new forms of content (linear and non-linear) and to new ways content is being consumed. The consumer business of Emtel and the Pay TV business of MC Vision is therefore working in collaboration.

The upheavals in the industry are not only present in the home and individual customer segments. The enterprise market is also impacted by considerable changes, but nevertheless remains a growing segment. Driven by changes in the business model, technology and regulation, traditional products such as connectivity between different points are becoming commodities. Services such as network management across numerous points in real time, network security, business continuity, disaster recovery, cloud, and redundancy are becoming the drivers of the enterprise market. Again the provision of these services require heavy and different investment in the network and also different skills in delivering these services. These changes are enhancing the complimentary offerings of the businesses of Emtel, Screenage and Currimjee Informatics.

Within the Telecommunications and Pay TV industry, the regulators play a critical role and over the last few years both the ICTA and the IBA have actively worked with the operators to address the challenges in this turbulent environment.

Steps taken to meet the challenges

In this ever-turbulent environment which is changing at an increasingly fast pace, we are embracing change at an even faster pace than previously.

We are leveraging our deep understanding of the sector, our relationships built over the years and our partners (shareholders and strategic partners) to have a clear vision of the future direction in terms of technology, organisation, customer and new products.

Our strategies and actions consist of two major axes – one is strengthening the organisation and the second is introducing new products and services.

Strengthening the Organisation

All new products and markets served and associated strategies need to be built upon an organisational foundation which serves as a solid base, but also allows flexibility and agility.

We have identified six pillars which serve to strengthen our organisation. These are:

- network and technical infrastructure;
- information technology and digitalisation;
- monetisation of Capex;
- customer management and support;
- talent management and development;
- optimisation of costs.

Investment at Emtel reached Rs 732 m in 2018 compared to Rs 469 m in 2017 with network infrastructure being the dominant area of investment.

Over the last two years, we have invested in greater submarine cable capacity and with other partners launched the construction and installation of new submarine cable – METISS which will connect South Africa, Madagascar and Reunion to Mauritius in 2020. This submarine cable will not only bring more capacity but will also provide even more redundancy and resiliency to our connection to the world. Within Mauritius, we have increased our fibre network substantially allowing us to address more business customers, offer more redundancy to our business customers and also strengthen our mobile telecommunications network. And on the last mile, we have invested further into 4G and other technologies allowing us to be able to offer faster speeds and more capacity to our wireless customers.

"WE ARE LEVERAGING OUR DEEP UNDERSTANDING OF THE SECTOR, OUR RELATIONSHIPS BUILT OVER THE YEARS AND OUR PARTNERS (SHAREHOLDERS AND STRATEGIC PARTNERS) TO HAVE A CLEAR VISION OF THE FUTURE DIRECTION IN TERMS OF TECHNOLOGY, ORGANISATION, CUSTOMER AND NEW PRODUCTS."

The network and information technology investments at Emtel are also planned in a manner that will allow us to offer 5G services in the near future.

Similarly, at MC Vision, with our partners, we have been addressing the next generation of decoders which are planned to be launched in 2019.

Across all the companies, we have increased our investment in information technology – the second pillar. Together with this investment in information technology, we have also initiated a program of digitalisation across all the companies. This program is built around 5 streams and as we move forward down the path of digitalisation, we will be able to offer better customer experiences, be more customer-centric, be more efficient and also build more job enrichment.

Whilst, we have always invested ahead of the curve, we also ensure that we are able to monetise the investment given the small size of the Mauritian market. This is an essential element in being able to offer competitively positioned products and services. In this context, we endeavour to leverage our investments over as many product segments as possible.

The fourth pillar is customer management and support. Digitalisation is a major element driving this. Other factors are processes and tools which are being reviewed and improved. During the year, the Customer Support App of Emtel was reviewed together with all customer support digital platforms and at MC Vision, a program of Data Analytics has been initiated so as to improve our management of churn.

A better customer experience can be built around processes and tools, but like other aspects of our organisational initiatives, this rests on our people and team. This is the fundamental element that will drive us forward and ensure long-term success.

The four companies of the cluster are fully aligned with the People

TELECOMS, MEDIA AND IT

and Talent initiatives driven by CJ Corporate functions and are active in embedding these within their respective organisations.

Formal talent development programs, succession planning programs, business continuity programs and cross-exposure programs with our partners are helping us build skills and competencies.

18 leaders from the cluster are involved in the Group Leadership Development program with RBL and this will enable us to move forward even faster.

Engagement activities are a central part of our People and Talent initiatives. Since 2017 all CJ companies measure engagement based on the AON Hewitt model. During 2018, there were concerted efforts across all engagement drivers with an objective (in an effort) to build a more engaged team.

A number of companies have also introduced policies around flexible working arrangements and teleworking. Formal programs of mobility across the cluster companies are also being initiated. The mobility programs will not only address full-time transfers, but also skills building, job enrichment, and fit into the succession planning programs and business continuity programs.

In many areas, we have also benchmarked salaries and where required matched salaries to the market so as to be able to retain our talent and also attract new talent.

Since the beginning of 2018, a cluster leadership team has been set up. This team meets regularly and has set up various common go-to-market initiatives and product development initiatives. This has allowed us to better leverage the skills and assets of the cluster and better meet customer expectations in terms of products and services.

All these initiatives and focus are enabling us to build a more skilled, flexible, agile, engaged and passionate team. They will not only enable us to delight the customer, address more diverse markets, but also move forward and embrace the change at a faster pace.

The final pillar of strengthening the organisation is cost optimisation. As revenues from traditional streams are under pressure and customers demand more value, it is imperative for us to optimise our costs. All the strategies mentioned above help us reduce our cost and we have also, wherever required, reviewed our structures. At Emtel, we have also introduced a formal "War on Waste" program which has brought substantial positive results.

New products and services

Whilst we implemented our strategies around strengthening the organisations, we also rolled out new products and services to be better able to counter the environment challenges and make the most of the opportunities.

The investment in our network and information technology field enabled us to offer new products around cloud services, disaster recovery, redundancy and network security. We also increased our geographic reach and are able to offer "Fibre to the Business"solutions to a larger network.

The common go-to-market structures which have been set up under the cluster leadership allowed a more integrated and effective approach to the customers. By end of the year, 52 common projects had been launched and this number was on the rise.

Investments in network also enabled Emtel to offer better connectivity and also more capacity with our fixed home broadband product, thus helping us improve customer service and the product capacity in this growing segment.

A number of new mobile data offerings such as unlimited plans, data rollover together with faster speeds and greater volume were launched on the back of our network and information technology investments, again allowing us to position ourselves better in this growing segment.

In the Pay TV market, the key focus was on two fronts. Firstly, we focused on securing rights for content and secondly we focused on leveraging the opportunities provided by convergence to offer non-linear content on the television and content on mobile devices.

Rights for EPL were secured for the three years starting August 2019, ensuring that MC Vision will continue to broadcast all major soccer competitions strengthening its extensive portfolio of sports rights. Long-term agreements were also reached with our main non-sport content providers. The rights obtained covered linear and non-linear rights and also rights for different modes of transmission on different devices.

MC Vision, together with Emtel and Canal +, also focused on developing numerous content products and services for non-linear consumption on the television and also linear and non-linear content for mobile devices. This was only made possible by the continuous investment in its network by Emtel who was thus able to offer an appropriate service quality enabling the customers to consume the content.

The ability to offer content in new forms (non-linear and on mobile) together with our premium content, exclusive brands and picture quality through the availability of HD channels increased the attractiveness of our products.

This was enhanced by Emtel and MC Vision initiating the concept of common showrooms which also enabled both the companies to offer an even better customer experience. This would serve not only existing customers, but also increase the revenue potential for both companies.

Performance and Outlook

All these strategies and actions enabled the cluster to increase revenue by 7.3%, driven largely by growth in the data and enterprise segments. All the companies recorded positive growth. Even MC Vision, which evolves in a very competitive environment, grew its turnover by 1.6%.

The cost base of the cluster reduced from Rs 1,209 million to Rs 1,200 million leading to an increased net profit before tax of Rs 965 million – an increase of 31% from the base of Rs 736 million reached in 2017.

This improvement in financial performance was also accompanied by other positive KPIs. Our number of customers increased in all our businesses and in all the market/product segments. Our churn rate, whether in the Pay TV or telecommunications businesses were markedly lower in 2018 compared to 2017. Our new products and services gained traction.

Our new non-linear content OTT product launched in 2018 under the brand "PLAY" was very well received and by year end had registered over 10,000 users with a high usage and high level of customer satisfaction.

All these KPIs show that our strategies are translating into effective actions and gaining customer relevance.

More importantly, our engagement actions led to an increase in engagement scores in all our companies and across all engagement drivers. We will continue to drive our engagement actions, as there will always be room for further improvement. But, this is another sign, that as a team we are more united, more passionate, more engaged and therefore better able to meet the ever-changing customer requirements.

Despite the ever-increasing turbulences and disruptions in this sector, we will continue to invest ahead of the curve, focus on new product and market opportunities, deliver better customer experiences, leverage our synergies across companies and drive engagement. This will enable us to continue on a growth path in the coming years. The cluster adheres to the Group environmental and sustainability initiatives by focusing on a number of areas, more details are given page 139- 151.

REAL ESTATE

OVERVIEW - SECTOR OUTLOOK, OUR STRATEGIES AND PERFORMANCE

Over the last few years, development of office buildings and commercial destinations has accelerated and currently supply exceeds demand. Moreover, the new developments are not only focused on the CBD of Ebène, but also the new smart cities around Moka and Beau Plan and centers such as Tamarin and Grand Bay. The development in the South-East of Mauritius is slower with the development of Omnicane and Beau Vallon has still to gain significant traction. However, construction works of Beau Vallon Mall has started and is targeted to be operational before the end of 2019.

All these developments are exerting pressure on rental rates and the growing competition is also raising the standards, compelling the different destinations to offer more differentiated and better offerings on the market. Tenants are therefore aware that quality buildings and services do come at a price, which may lead to an improved environment in the medium to long term.

The advantages offered to smart city developers in terms of fiscal incentives and streamlining of permits are substantial. However, these do not ensure a level playing field as regards to rejuvenation of city centers and other smaller developments. Therefore, this needs to be reviewed.

The Landlord and Tenant Act was extended at the end of 2017 for another three years. It is the second time that the proposed termination of this Act has been postponed. The Act does not allow landlords to increase rent to existing market rate. It acts as a brake for redevelopment, slows down rejuvenation of city centers and in many cases is a significant constraint that does not allow owners to maintain their buildings well as evidenced by the state of some of the buildings in city centers.

Out of the total leasable area, only 3% of our properties are affected by the Landlord and Tenant Act.

Our Strategies

In view of the current environment, Currimjee Jeewanjee is being cautious. Its strategy is and has been to optimise yield on selected properties through focused projects. This would enable substantial increase in rental income for marginal development costs.

Along these lines, two projects have been initiated over the last two years namely: the repositioning of Phoenix Central into an office destination and the introduction of a modern food and retail precinct within an existing property in Port Louis.

The project at Phoenix Central was completed by the end of October 2018 and at a total cost of Rs 175 million. Today, Phoenix Central is recognised as a Grade A Office Development in a prime location with ample parking and relatively easy access compared to Port Louis and Ébène.

Government has started the Road Decongestion Program in May 2018 to alleviate the traffic congestions on the Pont Fer/Dowlut and Jumbo roundabouts at Phoenix. The works are under progress and are expected to be completed by the end of 2020. This will have a positive impact on the fluidity of traffic to Phoenix Central and should further increase its attractiveness.

The Metro Express project is currently undergoing “The Rose Hill to Port Louis phase” with an expected completion date of September 2019. The second phase linking Curepipe to Rose Hill via Phoenix will reach completion by the end of September 2021, and shall have a very positive impact on Phoenix Central in terms of the proximity of the Metro Station (located next door), ease of access for staffs working in the offices of Phoenix Central and finally a park and ride facility next to the station.

Leasing has commenced and initial feedback is positive. Moreover strong tenants, mostly in the field of technology, are getting on board. At the end of the year, 52% of the space available was occupied and a further 14% had been leased and was being fitted out.

The project at John Kennedy Street, Port Louis consists of developing a food hall, some retails and offices in the space available. It will optimise the space utilisation and also further position the property as a mixed-use destination. Thirty-five million rupees have been committed to this project which is advancing smoothly and the commercial space should be operational by mid 2019.

This new development situated on a main artery linking the two Port Louis transport terminals will be easily accessible.

Bookings for leasing have started and market response is positive with interest from strong tenants.

Arcades Currimjee, owned by Compagnie Immobilière Ltée, is an example of a landmark and historical building situated in the centre of Curepipe. It is a mixed-use destination with restaurants, retails, services and offices. Since the launch of the food precinct in 2014, it has established itself as the destination in Curepipe and it is located in a strategic position considering the developments that are taking place in the immediate surroundings.

Arcades Currimjee is evolving continuously by refurbishing existing areas and also introducing new products. Leasable area dedicated to food and services is increasing while the area dedicated to pure retail is decreasing. At the end of 2018, food outlets occupied 17% of the commercial area, services 18% and retail 65%. This change in commercial mix is positively impacting the footfall.

REAL ESTATE

Le Nénuphar, the co-working space of Currimjee Jeewanjee, was operational at Arcades Currimjee at the end of 2017. The rental of the latter together with renewal of leases and new tenants at higher rates increased the rental income by 12.25% in 2018.

The vacancy rate at the end of 2018 was 4.5% for the commercial area. It represents one shop which is in the process of being converted to a food outlet and leased. There is also 22.8% of the office space which is vacant.

Sustainability

The Currimjee Group has adopted an Environmental and Sustainability Statement which sets out the Group's key commitments and objectives. The statement aims at raising the environmental and sustainability awareness of all the staff and to support their environmental and ecological engagements.

At the level of the Real Estate cluster, various initiatives were put forward to meet the objectives set in the Environment and Sustainability Statement. These focused on judicious energy management, rainwater utilisation, responsible procurement and disposal of waste, minimisation of ecological footprint and enhancement of staff and stakeholder awareness.

A typical example would be the Arcades Currimjee in Curepipe. The Company maximises the use of natural light and ventilation in the design and renovation of its various components. Since September 2016, the building is lit with 100% LED light. Currently nearly 50% of the electrical energy utilised in the common area on the ground floor is produced by a photovoltaic system. Further investment has been initiated in this area to supply 100% of the above-mentioned common areas with solar energy.

Moreover, rainwater harvesting for housekeeping purposes is done since 2015. The Company is now operating with a total rainwater harvesting capacity of 11,000 litres.

Segregation and safe disposal of waste are equally important in the Company's approach. A recent initiative in 2018 has been the recuperation and recycling of used kitchen oil from Arcades Currimjee's food tenants.

CIL has been awarded SEM Sustainability Index since 2015 and is also a member of the Green Building Council Mauritius since 2016.

Performance and Outlook

The Investment Property portfolio is analysed as follows:

	2017	**2018**
RS M		
Total value	1,523	**1,592**
Developed properties	814	**868**
Partially developed properties	173	**184**
Land assets	536	**540**
Developed properties		
Revenue (MURM)	47.1	**52.0**
EBITDA (MURM)	20.5	**29.3**
Gross rental yield	5.8%	**6.0%**
Net rental yield	2.5%	**3.4%**

Overall rental income went up from Rs 54 M to Rs 59 M from 2017 to 2018, an increase of 9.3% year-on-year. EBITDA increased from Rs 28.2 M to Rs 37.1 M based on cost reductions and increase in fair value gains of Rs 9.8 M. However, this year the cluster was negatively impacted by the impairment of development costs relating to project costs capitalised in previous years for the Group's property near the airport.

Occupancy level in different properties is improving and leases are renewed at higher prices.

As mentioned above, the immediate focus for the Real Estate Cluster is to improve the return on our asset base. The objective is to focus on assets which with marginal investment provide an optimal risk-return combination.

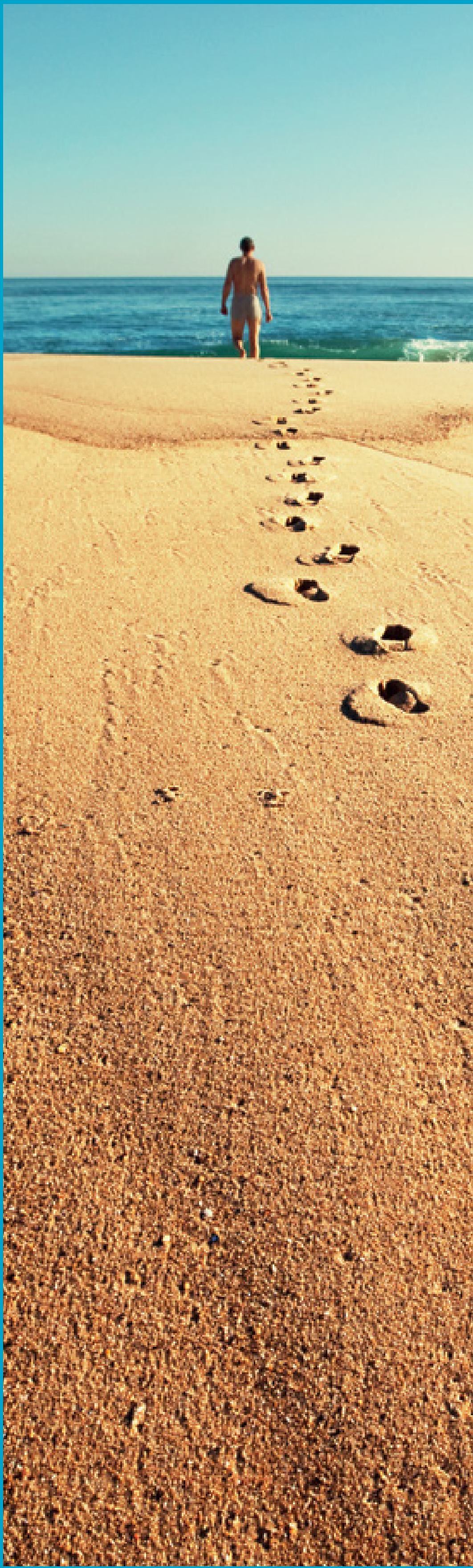
The three properties identified above, Currimjee Arcades owned by Compagnie Immobilière, Phoenix Central owned by Multi Channel Retail Limited and a property situated in Port Louis owned by Currimjee Jeewanjee & Co. Ltd, are categorized as "developed and partially developed" and at the end of 2018 were valued at Rs 963 million in our books. All these properties stand out by their unique location and will increase the revenue for the cluster in 2019 and beyond on the back of the investments. The gross and net yield are forecasted to improve over the coming years to reach approximately 9% and 7%, respectively, by end of 2020.

While improving the yield on these properties, we are evaluating different structures so as to commonly hold these and other developed properties of the Group. This will enable better risk management and benefits of scale in the management of these properties.

We are also cautiously evaluating different scenarios for development on our various land resources which will enable us to act rapidly when required.

"THE ADVANTAGES OFFERED TO SMART CITY DEVELOPERS IN TERMS OF FISCAL INCENTIVES AND STREAMLINING OF PERMITS ARE SUBSTANTIAL. HOWEVER, THESE DO NOT ENSURE A LEVEL PLAYING FIELD AS REGARDS TO REJUVENATION OF CITY CENTERS AND OTHER SMALLER DEVELOPMENTS. THEREFORE, THIS NEEDS TO BE REVIEWED."

TOURISM AND HOSPITALITY



OVERVIEW - SECTOR OUTLOOK, OUR STRATEGIES AND PERFORMANCE

Our hospitality investments focus on three related sectors, namely the travel sector through Silver Wings Travels Limited ("Silver Wings"), hospitality sector through Le Chaland Hotel Limited under the Anantara brand and an Integrated Coastal Resort Development through Le Chaland Resort Village Limited.

These sectors are faced with an ever-evolving and challenging business environment.

Travel

The travel industry is undergoing unprecedented transformation due to rapid technological changes, new global players offering consolidated services through the application of technology, and changing customer habits.

Despite this difficult environment, Silver Wings is performing very well. Our strategy of expansion in niche services for both corporate outbound travel and inbound travel has had positive outcomes and is generating value. Silver Wings will continue to enhance its business by personalising more and more of its services to meet the needs of its customers.

Hotel

The hotel industry in Mauritius has been witnessing growth for a number of years now with increases in the number of tourist arrivals, increase in receipts from tourism and also increases in ADR. At the end of 2018, tourism is expected to account for 8.6% of the GDP**. The table below highlights the key figures over the last three years:

	2016	2017	**2018**
TOURIST ARRIVALS	1,275,227	1,341,860	**1,399,408**
GROWTH IN ARRIVALS	+10%	+5.2%	**+4.3%**
TOURISM RECEIPTS (RS M)	55,867	60,262	**64,037**
OCCUPANCY RATES (AVERAGE)	76%	79%	**77%**
% OF GDP**	8.3%	8.5%	**8.6%**

** The tourism sector covers components of "Accomodation & Food Services, Activities", etc.

This positive trend was supported by a diversification of the source market of tourists visiting Mauritius and the arrival of new carriers.

In the last few months of 2018, there has been a slowdown in growth and even a stagnation for the first few months of 2019. This may be reason for concern and is caused by several factors namely:

- a slowdown in the main source markets due to special conditions (social unrests in France, Brexit causing uncertainty in UK);
- economic uncertainty and volatility in all of our source markets;
- increased competition from worldwide destinations especially neighbouring Indian Ocean destinations, like Maldives and Sri Lanka;
- high rates practised in Mauritius, combined with high airline fares.

Over the last few years, the risk profile of the industry has also changed because of global security risks associated with terrorism and environmental threats due to sustained climatic changes.

Mauritius has a strong tourism industry, enjoys a worldwide reputation as an excellent destination and a sustained industry-government partnership. For these reasons, we believe that the industry can overcome any slowdown.

Our tourism industry is, however, reliant on both sustained local and global economic growth. We, as a company, believe that Mauritius has the ability to accelerate its growth should the economic conditions prevail.

However, to pursue its growth path, the Mauritian tourism industry needs to embrace change, global trends and even take the lead in measures such as:

- creating a community-focused tourism industry;
- increasing sustainable practices in hotels;
- tap in the varied Mauritian culture and diversity to

HOSPITALITY

place them at the centre of our product offering;

- excel not only in service delivery, but technology-enabled experiences;
- ensuring a pollution-free environment;
- diversify the product and promote different models of tourism;
- promote guest houses within a quality framework and control mechanisms;
- promote Meetings, incentives, conferencing, exhibitions ("MICE") market.

Everyone should collaborate to achieve these goals.

So as to strengthen its position in this very specialised but major industry on our island and meet its strategic objective of diversifying its business portfolio and income base, Currimjee Jeewanjee has remained very focused while taking specific steps that define its investment approach in the following manner:

1. It has assembled a team of seasoned and respected professionals with proven track records in the hospitality industry with international experience to diversify the sector.

2. It is developing its first hotel on an outstanding beach location surrounded by a rich natural environment. Over the medium term, it will develop a related integrated coastal residential resort generating value through different business models and thereby spreading the business risk. It is with this in mind that Currimjee Jeewanjee strategically purchased 65 acres of freehold land adjoining the leasehold site on which the hotel is being constructed.

3. It has put sustainability at the heart of the whole project with the belief that a development can take place while further protecting the natural environment for future generations. Not only have we accepted and met all demands imposed by the various authorities, but we have taken the decision of going further with sustainable measures being implemented.

4. We have since the conception of our project interacted actively and continuously with the surrounding community and involved them as a partner in our project.

5. We have decided to link up with an International Management Partner and chosen Minor Hotel Group Ltd after very careful consideration. Their values are aligned with ours, their commitment to sustainability is recognised and it is at the core of their products and service. As global and recognised leaders in the hotel sector, they hold expertise in different source markets as well as our traditional markets and embrace new technologies and business models.

   These steps which are the foundation of our Hospitality & Tourism strategy will not only generate long-term value, but also reduce the risk profile of our investments.

Integrated Coastal Resort Development

As mentioned above, Currimjee Jeewanjee has also invested in 65 acres of freehold land adjoining its leasehold land thereby unlocking this land creating the opportunity to develop an Integrated Coastal Resort Village in phases over the medium to long term. As part of our development strategy, we will look for a partner with good market reach, credentials and experience in similar resort development.

This is an important sector in Mauritius with a number of large and specialised players. The sector grew substantially from 2014 to 2016, but since its peak in 2016, the Foreign Direct Investment (FDI) has been on a slight declining trend while we believe that it has still not reached maturity. Supply is also increasing which is causing the market to face further pressure.

There has been lately, in line with global trends, a new environmental awareness on the island leading at times to negative attitudes towards coastal developments. This reinforces our view that developments of this scale must be controlled, managed and inclusive to the local community while raising the standard of living of individuals. At the same time, our choice of putting sustainability at the heart of our project ensures that future generations benefit from our development while we protect our natural environment.

The sector has also suffered, recently at times, from some poor quality finishes on some residential projects delivered, the lack of a vibrant resale market and the negative publicity of financial problems of some of the developments. These need to be amended to ensure a more positive local environment, specially in view of the increasing international competition in this sector. The EDB's current country branding project will hopefully assist in re-positioning our country.

We are aware that it is a small project compared to many other existing and planned developments especially in the region but we want to distinguish ourselves by providing a differentiated high-end products.

Our strategy is therefore to smartly exploit the location, with sustainability at its core. Permeability throughout the development, design, personalised services, well-being, technology and leveraging on the hotel are the key elements of the experience. This will also be implemented in smaller phases ensuring that we manage quality and service as we grow the resort while mitigating risks.

"OUR TOURISM INDUSTRY IS, HOWEVER, RELIANT ON BOTH SUSTAINED LOCAL AND GLOBAL ECONOMIC GROWTH. WE, AS A COMPANY, BELIEVE THAT MAURITIUS HAS THE ABILITY TO ACCELERATE ITS GROWTH SHOULD THE ECONOMIC CONDITIONS PREVAIL."

Performance and outlook

The construction of the Anantara Le Chaland started in January 2018 and has progressed well. It is on track for completion within budget by August of this year and should be welcoming its first paying guests as from September of this year. As we will experience only 4 months of hotel operations during 2019 with heavy pre-operational expenses, the financial impact will be negative in 2019, but in view of the global marketing and sales efforts being put, we should see a positive impact as from 2020 for a full year of operations.

At the end of 2018, revaluation gains of Rs 33 M on the freehold properties of LCRVL was recognised under the cluster's financials. This has positively impacted the financial results of the cluster for 2018.

Our real estate developments will also commence in 2019. The first phase of development will cover 8 high-end villas which will be included in the rental pool of the hotel. Design and construction drawings have been finalised and we have already obtained our permits. We expect to deliver the first villas in the first half of 2020.

The delivery of the villas will strengthen and add value to the hotel offering and will also enable CJ to generate income from its investment.

Future projects of the rest of the real estate development are in the final planning stages and are subject to the obtention of the relevant permits in order to enable further progress in 2020.

Currimjee Jeewanjee has invested over Rs 1.3 billion as equity in hospitality and resort development projects. The current developments are the first steps and our plans include not only development of our assets at Le Chaland but we also aim at becoming an actor in other related investments across the spectrum of businesses.

+4.3%

GROWTH IN TOURIST ARRIVALS

RS 1.3 BILLION

INVESTED AS EQUITY IN HOSPITALITY AND RESORT DEVELOPMENT.

77%

OCCUPANCY RATES (AVERAGE)

COMMERCE AND FINANCIAL SERVICES

PERFORMANCE AND OUTLOOK

COMMERCE

In 2018, Batimex's revenues grew by 11% versus the previous year to reach Rs 240 M. This increase came largely from our new Metric showroom in Curepipe as well as organic sales growth in the Batimex division. The sales growth was tempered by higher logistics and warehousing costs as well as higher selling costs. There was also a Rs 7 M impairment resulting from its investment in Cheribinny, which it acquired at year end.

Cheribinny's focus will be to provide credit finance to Batimex customers and continue to collect from its old debtors.

An AMC's management buyout took place on 31 December 2018. This is in line with our strategy to concentrate on our core activities and streamlining our business.

The focus of Batimex for the coming years will be to maintain revenue growth, increase its number of new showrooms, strengthen product range, further improve stock control and improve customer experience.

ILA

ILA undertook a major rebranding exercise for 2018. The focus in 2018 has been the continuous improvement of the performance of the Company. The total revenue of ILA has increased by 25.1% to reach Rs 413.7 M for the year ended 31 December 2018. Consequently, a surplus of Rs 120.7 M was generated for 2018. The Life Fund grew from Rs 877.6 M in 2017 to Rs 1,001.9 M in 2018.

With regards to our workforce, our people engagement score also improved from 31% in 2017 to 63% due to a number of engagement improvement initiatives implemented in 2018.

Our plan for 2019 is to increase sales volume with the launching of new products and to focus on sales to customers from middle to high-end segment.

RESPON

SIBILITY

We maintain that success is not only reflected in the bottom line but also in the positive impact we have on communities and the environment.

ENVIRONMENT & Sustainability

ENVIRONMENT & SUSTAINABILITY (E&S) FRAMEWORK

In 2013, CJ formally embarked on its environment and sustainability journey. A task force consisting of senior executives was set up to propose solutions, coherent policies and an effective monitoring system regarding environmental and sustainability aspect.

CJ has considered its impacts on natural systems, including land, air, water and ecosystems; and the society, in terms of inputs (such as energy and water) and outputs (such as emissions and wastes). Thus, CJ's environmental and sustainability aspects that are considered significant have been defined as follows:: Energy Management, Procurement, Transport Management, IT Equipment & e-Products, Paper Usage, Water Usage and Waste Management.

ENVIRONMENT & SUSTAINABILITY STATEMENT AND OBJECTIVES

In September 2014, CJ's Board of Directors consolidated this engagement through the adoption of an "Environment and Sustainability (E&S) Statement" that sets out its key environmental commitments and objectives

(https://www.currimjee.com/documents/CJ_E&S_Statement.pdf)

COMMITMENTS

THROUGH LEADERSHIP, STAFF INVOLVEMENT AND EFFECTIVE MANAGEMENT, WE SHALL:

1. Endeavour to preserve the environment and manage our operations in a sustainable manner for the well-being of future generations.
2. Consider environmental and sustainability aspects as an integral part of our business strategy and operating methods.
3. Continually monitor and improve our environmental performance and support customers', employees', partners', and other stakeholders' environmental and sustainability progress.

OBJECTIVES

IN OUR QUEST FOR BALANCED ENVIRONMENTAL PROTECTION, SUSTAINABLE DEVELOPMENT AND BUSINESS RESULTS, WE SHALL:

1. Achieve and maintain environmental sustainability in our business strategy and projects.
2. Conserve and make judicious use of energy, water, materials and other valuable resources through efficient practices.
3. Promote utilisation of renewable and clean energy sources and materials as a long term solution against global warming and climate change.
4. Minimize our ecological footprints (including carbon footprint) that equates to maximizing value for the stakeholders.
5. Consider and preserve terrestrial and marine biodiversity and its ecology in our projects and operations.
6. Assist customers in the use of our products and services in a responsible manner.
7. Undertake environmental risks evaluations, product and service life cycle assessments, and implement corresponding prevention programs.
8. Develop environmental and sustainability improvement plans with clear targets and measure progress annually.
9. Adopt and promote the Refuse, Reduce, Reuse and Recycle (4R) approach in managing and valorizing our wastes, including paper, IT/E and plastic waste.
10. Promote adoption of eco-friendly consciousness and activities among staff and other stakeholders.
11. Comply to and perform better than applicable statutory and regulatory environmental requirements.
12. Report our environmental performance in line with the Global Reporting Initiative (GRI).

SUSTAINABILITY REPORTING

The Quality & Sustainability (Q&S) department of CJ has the responsibility to monitor and report to the HROE Sub-Committee and CJ Board of Directors on a quarterly basis, the performance of CJ and its subsidiaries' with respect to identified aspects and impacts. Each subsidiary has a dedicated E&S Coordinator who reports on its environmental performance in an established, and structured meeting with Q&S, to review progress and share best practices.

CJ voluntarily discloses its environmental performance in a bi-annual Sustainability Report. This report is largely based on the GRI standards 102 and further described on our website, https://www.currimjee.com/documents/Sustainability_Report_2016-2017.pdf

CJ also publishes a comparison of UN SDGs, GRI Standards, IR Capitals and CJ Current programs on our website: https://www.currimjee.com/social-environment/environment-sustainability.html

"What we have is not given by our fathers but borrowed from our children."

Chairman's speech on the Group's 125 Years Celebration

Key Environment & Sustainability initiatives and results are given on the following pages.

ENVIRONMENT & SUSTAINABILITY

Our areas of intervention

#1
EDUCATION

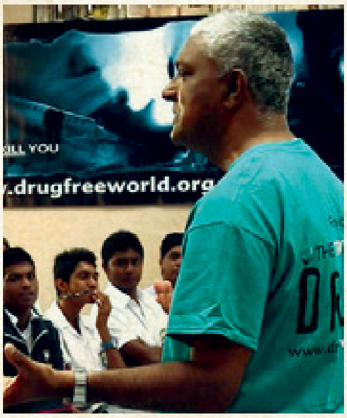
For 2018, Currimjee Foundation has renewed its financial support to the school managed by Edycs Epilepsy Group.

#2
SOCIO-ECONOMIC
Support to Road Safety Awareness Campaign

Representatives from eight countries, including Mauritius, toured the island from the 20th to 28th of July. The purpose of this 245-kilometer symbolic march, organised by the Gold Award Holders Association (GAHA) – Mauritius and supported by Currimjee Foundation, was to raise the awareness about the importance of road safety.

#3
ENVIRONMENT
Marine biodiversity conservation

Currimjee Foundation with Le Chaland Resort Village Ltd is partnering with REEF Conservation, and will fund by agreement several initiatives including outreach sessions in the Le Chaland area for different audiences such as schools, residents of the side, the future employees and customers of the hotel as well as the employees of the Group.



#4
HEALTH
Support to drugs prevention, treatment and rehabilitation programme – Dr Idrice Goomany Centre

Currimjee Foundation proudly renewed its support as per the past 3 years to Dr Idris Goomany Centre in their fight against drugs. The NGO offers its beneficiaries and their families a comprehensive and multidisciplinary approach in managing substance abuse problems on an out-patient basis.

#5
HEALTH
Annual blood donation

The annual blood donation was held on the 7th of May in collaboration with the Blood Transfusion Service of the Ministry of Health and Quality of Life, the Thalassemia Society of Mauritius and St Joseph College, with a total of 130 pints collected on this day.

#6
EDUCATION
AIESEC

AIESEC Mauritius with the sponsorship of the Currimjee Foundation organised a Curriculum Vitae Training in September 2018, aiming to support sustainable economic growth and youth employment in Mauritius (UN's Sustainable Development Goal #8).

#7
LEISURE-SPORTS

Currimjee Fondation has provided continuous support in Leisure & Sports to more than 600 youths through local NGOs and sports associations for the year 2018. The aim was to help to develop their talent and provide to those youths with the proper structure and facilities.

#8
SOCIO-ECONOMIC
Support to the promotion of peace and interfaith collaboration.

Currimjee Foundation has been financially supporting the Council of Religions (CoR) Mauritius in its laudable activities since the past 2 years, supporting the CoR to foster mutual understanding and enhance interfaith collaboration among faith communities around common social problems.

#9
ENVIRONMENT
Preservation of the Mauritian endemic fauna and flora

The Currimjee Group, via Emtel has been supporting the Mauritian Wildlife Foundation (MWF) in its efforts to raise awareness and preserve the fauna and flora of Mauritius and Rodrigues since 2016. To further strengthen this collaboration, the Currimjee Group, through the Currimjee Foundation, reiterated its support to the organisation for three more years.

CSR & SUSTAINABILITY INITIATIVES 2018

SOCIO-ECONOMIC DEVELOPMENT

#1
ROAD SAFETY AWARENESS PROGRAMME

Project Implementer/Facilitator:
Gold Award Holders Association (GAHA)

Objective:
- To raise the awareness of road users and pedestrians about the importance of road safety.

Outcomes:
- 175 persons mobilised for the cause;
- 8 countries represented in the march;
- Talks, film screenings and awareness sessions took place in 9 different locations.

#2
CHRISTMAS BOX APPEAL INITIATIVE

Project Implementer/Facilitator:
CJ CSR & Welfare Committee

Objectives:
- To raise awareness among CJ staff to contribute for the underprivileged in the end of year festivities;
- To provide needy families a box worth Rs 2,000 of basic groceries.

Outcome:
- 30 needy families from Vallée Pitot, Tranquebar and Eau Coulée, respectively, benefitted from the initiative.

#3
FOOD FOR THE POOR

Project Implementer/Facilitator:
Lions Club of BB-RH

Target Regions:
Mont Roches, Barkly, Beau Bassin-Rose Hill

Objective:
- To offer a hot meal once a month to underprivileged or homeless people.

Outcome:
- 175 homeless persons were offered a hot dinner, once a month.

#4
OFFERING SUPPORT TO DISABLED CHILDREN

Project Implementer/Facilitator:
Islamic Centre for Disabled Children (ICDC)

Objective:
- To renovate the current premises of ICDC to offer the students a more welcoming environment.

Outcome:
- 40 children benefitted from renovated and more convivial classrooms.

#5
SUPPORT TO THE FIGHTING OF CORRUPTION PROGRAMME

Project Implementer/Facilitator:
Transparency Mauritius

Objective:
- To disseminate designed programmes to build a society free of corruptions and frauds.

Outcome:
- Awareness programmes for the entire police force.

#6
OFFERING SUPPORT TO INTERFAITH RELATIONS AND PEACE

Project Implementer/Facilitator:
Council of Religions

Objective:
- To implement projects that promote interfaith collaborations and peace in the country.

Outcome:
- Carried out in all secondary schools of Mauritius.

SPORTS & LEISURE

#1
BOLTON ACADEMY FOOTBALL CLUB
Project Implementer/Facilitator:
MC Vision & Bolton City Youth Club

Objective:
- To develop a Saturday care school that combines football and educational support.

Outcome:
- 60 children between 8 to 15 years old received training and educational support.

#2
PROMOTION OF YOUTH DEVELOPMENT
Project Implementer/Facilitator:
Club Zeness Sportif Vallée Pitot

Objectives:
- To reduce the incidence of drug use in Vallée Pitot;
- To create a sports culture in Vallée Pitot.

Outcomes:
- 300 children benefitted from initiation to sports such as football, karate and swimming;
- The Football Teams, U12, U15 and U17 all won the Port Louis football tournaments;
- Vallée Pitot remains the only region where drug use is diminishing thanks to the devotion of the CSZVP.

#3
OFFERING SUPPORT TO CHILDREN AND WOMEN FROM DEPRIVED REGIONS
Project Implementer/Facilitator:
Morysien San Frontyer

Objectives:
- To initiate children from deprived areas to sports and recreational activities after school hours;
- To help a group of women to improve their self-worth and confidence, to provide them with the possibility of acquiring specific skills thereby paving the way to genuine empowerment.

Outcome:
- 100 children and women combined got access to different activities.

#4
MANGALKHAN SPORTS ACADEMY
Project Implementer/Facilitator:
Mangalkhan Sports Club

Objectives:
- To keep the youngsters away from the evils of society;
- To develop existing football talents.

Outcomes:
- 60 young footballers benefitted from training and equipment;
- The U-17 team was a quarter-finalist in an international football tournament held in Paris.

#5
OFFERING SUPPORT TO DISABLED SPORTS
Project Implementer/Facilitator:
Magic Quatre Bornes Sports Club

Objective:
- To sponsor of a group of disabled athletes for several competitions in Europe.

Outcomes:
- 10 athletes went to France and Switzerland for several competitions;
- 3 gold medals were won on a harvest of 9 medals in total.

CSR & SUSTAINABILITY INITIATIVES 2018

HEALTH

#1
CHECK YOUR HEALTH PROJECT
Project Implementer/Facilitator:
PATH

Objective:
- To organise a free medical screening & health exhibition for underprivileged people.

Outcomes:
- 60 healthcare specialists were mobilised;
- 302 persons were examined;
- 218 persons were referred for further treatment.

#2
BLOOD DONATION
Project Implementer/Facilitator:
National Blood Transfusion Service

Objective:
- To organise a blood donation event for the blood bank.

Outcomes:
- 130 pints of blood were collected;
- 3 CJ companies namely CPMD, MC Vision and Multi Contact participated in the event.

#3
OVERSEAS MEDICAL TREATMENT SCHEME
Project Implementer/Facilitator:
Currimjee Foundation

Objective:
- To provide individuals full or partial funding for urgent overseas medical treatment.

Outcome:
- 13 children and 3 adults were provided financial aid.

#4
BEDRIDDEN PATIENTS SCHEME
Project Implementer/Facilitator:
Pharmacie de La Plaine Verte

Objective:
- To provide medicines or diapers to bedridden and needy persons.

Outcome:
- 16 disabled persons benefited from the programme.

#5
OFFERING SUPPORT TO DRUG ADDICTION TREATMENT AND FIGHTING DRUG PROPAGATION
Project Implementer/Facilitator:
Dr Idrice Goomany Centre

Objectives:
- To reduce the incidence of drug use in Mauritius through primary prevention campaigns;
- To provide treatment for people addicted to drugs.

Outcome:
- More than 300 persons benefitted from the different initiatives of the NGO.

#6
CANCER AWARENESS CAMPAIGN
Project Implementer/Facilitator:
Papim

Objectives:
- To sensitise the participants on the fact that a healthy lifestyle can beat cancer;
- To introduce the community good health habits in order to reduce the risks of cancer.

Outcomes:
- 32 teams/256 players were registered for the event;
- More than 1500 persons likes on the Facebook link for the event;
- Online newspapers and TV coverage of the event for a wide impact.

#7
OFFERING SUPPORT TO PATIENTS SUFFERING FROM THALASSEMIA AND OTHER GENETIC BLOOD DISEASES
Project Implementer/Facilitator:
Thalassemia Society of Mauritius

Objectives:
- To raise awareness about thalassemia;
- To organise blood donation events;
- To purchase equipment to provide better treatment methods to the patients.

Outcomes:
- Over 100 patients suffering from Thalassemia and other genetic blood diseases got a room specially set up for them at Victoria Hospital dedicated to their regular check-ups and blood transfusions.

EDUCATION

#1
CF TERTIARY SCHOLARSHIP FOR NEEDY UOM STUDENTS
Project Implementer/Facilitator:
University of Mauritius

Objective:
- To provide access to formal tertiary education mainly for people from disadvantaged backgrounds.

Outcome:
- 12 students received full scholarships from Currimjee Foundation.

#2
OFFERING SUPPORT TO THE YOUTH FORUM FOR CAPACITY BUILDING OF OUR TERTIARY STUDENTS
Project Implementer/Facilitator:
AIESEC Mauritius

Objective:
- To inculcate experience and skills that will better prepare our tertiary students for the future.

Outcome:
- 97 students attended a workshop on CV writing.

#3
OFFERING SUPPORT TO STUDENTS SUFFERING FROM EPILEPSY
Project Implementer/Facilitator:
EDYCS Epilepsy Group

Objective:
- To sustain EDYCS in its mission to provide a place to deliver education to children suffering from epilepsy.

Outcome:
- 25 students benefitted from Currimjee Foundation grant.

CSR & SUSTAINABILITY INITIATIVES 2018

ENVIRONMENTAL CSR PROJECTS

#1
PRESERVATION OF THE MAURITIAN FLORA AND FAUNA

Project Implementer/Facilitator:
Mauritian Wildlife Foundation

Objectives:
- Support the MWF in its initiatives to preserve the Fauna & flora of Mauritius and Rodrigues;
- Organise awareness sessions with the community;
- Organise educational tours for children on île aux Aigrettes;
- Organise plotting and weeding activities on île aux Aigrettes.

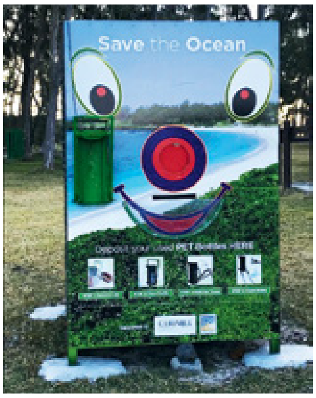
Outcomes:
- 180 children went on an educational tour sponsored by CF on île aux Aigrettes;
- 3 outreach sessions on the importance of our endemic species organised attended by 100 participants;
- 93 staff from CJCO went on île aux Aigrettes for a plotting and weeding sessions organised by MWF.

#2
MARINE BIODIVERSITY PROGRAMME

Project Implementer/Facilitator:
Reef Conservation

Objectives:
- To do community sensitisation with Bis Lamer in community centres or at public beaches;
- To organise outreach sessions in schools;
- To bring school students to Le Bouchon Public beach Mangrove area for field trip visits, with a focus on Mangroves, Rocky shores and Beach erosion;
- To place a beach sign with the Dos and Don'ts and the good behaviour to adopt at the beach and with information on the Blue Bay Marine Park;
- To carry out a lagoon survey and habitat mapping of the Blue Bay Marine Park B;
- To develop an interactive programme on plastic pollution for the Bis Lamer.

Outcomes:
- 210 persons were sensitised in the outreach sessions;
- 250 students learned about our marine biodiversity via Bis Lamer;
- 162 students went for the field trips to learn more about our marine biodiversity.



#3
SAND WATCH PROGRAMME

Project Implementer/Facilitator:
Association pour le Développement Durable

Objectives:
- Implement a sand watch programme in secondary schools as per UNESCO standard;
- Raise the interest of students to marine science;
- Take measurements of the sand at identified places to determine if there is sand erosion;
- Advise the necessary authorities if sand erosion is noticed;
- Enter findings in a database managed by the UNESCO.

Outcomes:
- 20 students were involved;
- UNESCO approved and recognised the programme;
- The Ministry of Education supports the programme and agrees to extend it to other secondary schools.

#4
UNIGREEN FUN DAY PROJECT

Project Implementer/Facilitator:
2nd year students in BSc Recreational and Tourism of UoM

Objectives:
- Raise awareness among the students on how to reuse plastic materials on the campus;
- Organise a fun day with activities using plastic as main materials;
- Implement plastic recycling measures on the campus.

Outcome:
- 400+ students were involved in the different activities.

#5
GOOD AGRICULTURAL PRACTICES PROJECT
Project Implementer/Facilitator:
FAREI

Objectives:
- Introduce good agricultural practices to small planters;
- Sensitise planters on the use of pesticides;
- Encourage the participants to go for the MauriGap certificate.

Outcome:
- 15 planters were trained on good agricultural practices.

#6
PLASTIC RECYCLING PROJECT
Project Implementer/Facilitator:
Beach Authority & EcoGreen Power Ltd

Objective:
- To collaborate with the Beach Authority to install a specially designed bin for plastic bottles and caps on the public beach of La Cambuse.

Outcomes:
- An eco-bin for plastic has been placed at La Cambuse public beach;
- Plastic wastes are being collected on a fortnightly basis for recycling.

#7
REVEGETATION OF CITADEL
Project Implementer/Facilitator:
Friends of Environment

Objectives:
- To restore of the native dry forest that once covered La Petite-Montagne at Citadel;
- To provide visitors with a pleasant and green environment to enjoy from the bustling urban life;
- To showcase the reforestation feasibility of an ecologically degraded land in the heart of Port Louis;
- To re-create a fully functional and self-sustaining ecosystem and conserving the unique Mauritian biodiversity;
- To reduce the frequency and severity of bushfires as the restored native vegetation is fire-resistant;
- To decrease soil erosion and risks of flash floods in the surrounding areas;
- To educate the community about the importance of forests and global environmental challenges.

Outcomes:
- 3094 endemic plants have been planted at date;
- More than 700 staff from CJCO has been involved in the project.

Internal Activities:

- Annual celebration of World Environment Day;
- Marking of Earth Hour and Earth Day;
- Recycling of paper and electronic waste;
- Collection of rainwater;
- Fostering of green solar energy;
- Minimising paper usage through digitalisation;
- Reducing fuel usage of company vehicles;
- Replacing all fluorescent lightings with energy efficient LED alternatives.

External Support:

- Revegetation of Citadel by Friends of the Environment;
- Protection of marine and coastal resources by REEF;
- Supporting the preservation of endemic species by Mauritian Wildlife Foundation.

KEY ENVIRONMENTAL INDICATORS PROGRESS 2018

↓ 0.6%

2,122,820 kWh

ELECTRICITY CONSUMED, EXCL. EMTEL BOUNDARY OFFICE, CELL SITES AND DATA CENTRE

↑ 19%

14,872,340 kWh

ENERGY CONSUMED BY EMTEL BOUNDARY OFFICE, CELL SITES AND DATA CENTRE

↓ 2.1%

352,585 LITRES

OVERALL FUEL USE FOR TRANSPORTATION

↓ 1.4%

285,920 LITRES

SUPER FUEL USED FOR TRANSPORTATION

↓ 20%

66,660 LITRES

DIESEL FUEL USED FOR TRANSPORTATION

↑ 20%

18,640,000 LITRES

WATER USED

2.7%

OF TOTAL WATER USED ARE RAINWATER HARVESTED AND USED

510,000 LITRES

RAINWATER HARVESTED AND USED

↓ 17%

3,860 REAMS*

OFFICE PAPER USED

*1 ream = 500 sheets

KEY ENVIRONMENTAL ACHIEVEMENTS DURING 2018

11 TONS
E-WASTE

DISPOSED THROUGH RESPONSIBLE COLLECTORS & RECYCLERS

3.8 TONS
PAPER WASTE

DISPOSED THROUGH RESPONSIBLE COLLECTORS & RECYCLERS

300
MANGROVE PLANTS

- PLANTED AT GRAND GAUBE
- ABSORBS 5X MORE CARBON THAN TROPICAL FORESTS

1313
ENDEMIC PLANTS

TOTAL OF 3,236 PLANTED AT THE CITADEL SINCE 2015

137
EMPLOYEES

- SPENT HALF-DAY PLANTING AND MAINTAINING CITADEL RE-VEGETATION
- 626 STAFF INVOLVED SINCE 2016

15
PLANTERS

TRAINED ON BIO-CULTIVATION IN THE SOUTH REGION OF LA CAMBUSE

622
PEOPLE
(412 STUDENTS
210 PUBLIC)

EDUCATED ON THE IMPORTANCE OF THE MARINE BIODIVERSITY BY NGO REEF CONSERVATION

302
PEOPLE
(210 STUDENTS
92 CJ & SUBSIDIARIES STAFF)

SENSITISED ON TERRESTRIAL BIODIVERSITY BY NGO MAURITIAN WILDLIFE FOUNDATION

Events

CONNECTING WITH PEOPLE

#1 SUPPORTING ARTS AND CULTURE

ART AND CULTURE PERFECTLY REFLECT OUR VALUES, PARTICULARLY OPENNESS AND RESPONSIBILITY. IT IS A UNIVERSAL LANGUAGE THAT ALLOWS PEOPLE TO MEET, SHARE ACROSS BORDERS, CONFRONT THEIR IDEAS, WAKE UP CONSCIENCE, EDUCATE, LEARN, INNOVATE AND JOIN FORCES TO CONNECT WITH OTHERS.

It is essential to protect and commemorate our cultural heritage, to enable youngsters to discover their elders, to support young talents and creativity, to invite foreign artists to Mauritius and to promote Mauritian artists abroad.

For this reason, Currimjee Jeewanjee and Company Limited has been supporting and promoting Art and Culture within its sponsorship strategy for years.

After the success of the art exhibition set in Le Grenier for PORLWI by Nature, the exhibition dedicated to Serge Constantin for his 100th anniversary, “Analogies & Correspondences” in the honour of the painters Roger Charoux and Jocelyn Thomasse, CJ actively supported three main activities in 2018: “Le Caudan Live”, “La Veuve Joyeuse” and “Une Nation, Un Destin”.

LE CAUDAN LIVE

The first event was the sponsorship of Le Caudan Live – a series of contests divided into five different categories – organised to celebrate the opening of the Caudan Arts Centre. With the aim of supporting artistic creativity, CJ chose to sponsor the music contest to help to discover talented Mauritian musicians and singers. Over a period of several weeks, Mauritians were invited to vote for their favourite through social networks. The event was an absolute success.

LA VEUVE JOYEUSE

CJ also sponsored the world famous operetta, “La Veuve Joyeuse”, which delivered several performances in Mauritius in October 2018. The play, which displays a degree of orchestral and melodic refinement rarely attained in operetta, was produced by Opera Mauritius and Gerard Sullivan, and was performed by 60 Mauritian singers and 53 German musicians from Musikakademie der Studienstiftung des deutschen Volkes.

UNE NATION, UN DESTIN

In celebration of Mauritius’ 50th Independence anniversary, CJ supported ION News in the production of a series of 50 videos which portrayed how Mauritians recalled the historical moment the island gained its independence on the 12th of March 1968. It also analyses how the country has moved forward since then.

#2 REBRANDING

ILA

In 2018, the assurance company, Island Life Assurance, completely reviewed its marketing strategy to obtain a premium positioning. It also initiated a rebranding process. The new brand ILA was launched in July 2018 and a new flagship outlet was opened in the heart of Port Louis.

PHOENIX LES HALLES BECOMES PHOENIX CENTRAL

To meet the market expectations, this previous shopping mall building has been transformed and repurposed as office space. Major works have been done to offer flexible spaces, more natural lighting and many other facilities. With its very central location, its visibility, parking facilities and infrastructure, Phoenix Central proposes a premium offer to enterprises.

PHOENIX
CENTRAL

EVENTS

#3 LAUNCHES

OPENING CELEBRATION OF LE NÉNUPHAR

In order to enhance their team's sense of belonging, well-being and further improve the work environment, the Group has created its own co-working space for all its employees.

Located on the first floor of Arcades Currimjee, in the heart of Curepipe, this 1000 m² area proposes a contemporary, unique and cosy space composed of:

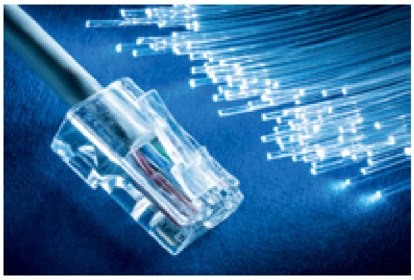
- one museum dedicated to the history of the Group,
- one open space,
- one meeting room,
- one lunch and lounge area.

It was inaugurated on the 7th of March 2018 in the presence of the press, our close partners and our leadership team.

LAUNCH OF PLAY BY MC VISION

Launched in May 2018, PLAY is the new on-demand service developed and proposed by MC VISION. With PLAY, subscribers can enjoy more than 5000 on-demand content to entertain the whole family via its user-friendly interface.

PLAY



WEST COAST FIBRE NETWORK BY EMTEL

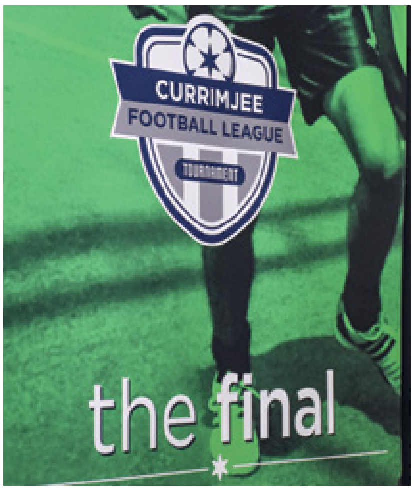
On the 26th of July 2018, in the presence of its partners and B2B customers, EMTEL launched a new business solution for all enterprises situated in the West and South regions of the island in Rivière Noire. Branded "West Coast Fibre Network", it fulfils enterprises' expectations to get innovative solutions, better high-speed connection, higher IT infrastructure security, data centre and cloud services.

#4 INTERNAL EVENTS

BEING A UNITED TEAM IS ESSENTIAL.
TO ENHANCE TOGETHERNESS, BONDING, A SENSE OF BELONGING TO THE GROUP A SERIES OF EVENTS HAVE BEEN ORGANISED.

CURRIMJEE FOOTBALL LEAGUE

The second edition of the Currimjee Football League took place in 2018. One of our five values at heart is passion, and football is a passion shared across all companies of the Group. 15 companies divided into 20 teams consisting of a total of 200 players took part in the Foot Five competition played over a period of 10 weeks. The Grand Final took place at Foot Five Flacq, with the champions winning a trip to Rodrigues to celebrate their victory.



CURRIMJEE TOUR

After the first edition in 2016, a second edition of the Currimjee Tour was planned in 2018. Employees of subsidiaries with B2C activities were asked to meet their colleagues from other companies within the Group to present their products & services and propose an exclusive offer to the staff.

FIRST INTERNAL MAGAZINE IN VIDEO FORMAT

In December 2018, the CJ Communication department decided to innovate and transform their internal magazine into a video format. Lively and dynamic, it is available on the CJ intranet. It effectively catches the attention of employees while circulating the latest company news.

WORLD ENVIRONMENT DAY CELEBRATION WITH REEF CONSERVATION

For the next three years, the Currimjee Group, through the Currimjee Foundation and Currimjee Hospitality, has signed a protocol with the NGO Reef Conservation to support them in all of their marine biodiversity awareness and preservation actions. Several awareness initiatives were organised for various communities such as the habitants of the South of the island, schools and also Group employees.

In that perspective, on June 21st 2018, for World Environment Day, the Quality and Sustainability department in collaboration with Reef Conservation sensitised staff on the importance of marine ecosystems for our economy and as a legacy for the future generations at Le Nénuphar, CURRIMJEE's co-working space. They discovered the four major marine ecosystems of Mauritius, namely swamps, mangroves, seagrass and coral reef, through educational stations set up on the premises.

EVENTS

CELEBRATION OF INDEPENDENCE

Mauritius' 50th independence anniversary was celebrated across the entire Group. The occasion saw the decoration of the main buildings of the different companies while also offering an opportunity for many to gather and meet. The CJ Corporate team were invited to Le Nénuphar for a get-together and received books on the magnificence of our country as gifts.

FIFA WORLD CUP

To truly embrace the 2018 FIFA World Cup fever, CJ invited its Corporate and Leadership teams to come and watch matches broadcasted by MC VISION at Le Nénuphar. It was an occasion to informally meet and share a common passion.

CURRIMJEE LIMITED ("CL") – ANNUAL EXECUTIVE DINNER

Each year, the CL Annual Executive Diner is an important event where all the managers of CJ and the manufacturing companies of the CURRIMJEE Group with their spouse are invited to gather. Speech of the Chairman, Bashirali Currimjee, music show, gift, for an exceptional evening which was at Hilton Mauritius Resort & Spa, Wolmar, Flic en Flac, in collaboration with La Rose de Damas and Event Creators, on the 3rd March 2018.

CJ END-OF-YEAR DINNER

To celebrate the end of the year, the CJ Corporate team and all the business heads were invited to gather and enjoy a dinner at Shangri-La's Le Touessrok Resort & Spa on the 8th of December. Donning a "beach-chic" theme, it was an occasion to spend valuable time together, to recognise long-service employees and discover CJ NEWS' new video format.

CJ CORPORATE TEAMBUILDING

The annual CJ corporate team building was organised with fun filled activties in July 2018 at Le Maritime Hotel to further enhance bonding.

#5 TRAINING AND WORKSHOPS

TO DISSEMINATE VALUES, TO DEVELOP LEADERSHIP SKILLS AND KNOWLEDGE A SET OF WORKSHOPS WERE INITIATED

CULTURAL DEVELOPMENT PROGRAM

Our values are central to the way we do business. That is why it is vital that people understand them perfectly and embrace them in their day-to-day actions. To succeed in the continuous implication of our 5 values, all employees of CJ companies participate in workshops organised in collaboration with Talents.

LEADERSHIP COMPETENCIES

Leadership workshop held on interpreting, analysing and utilising results of 360-degree feedback reports. These Assist participants in putting together a personal development plan, as part of the group's Talent Management programme.

LEADERSHIP FOR THE FUTURE

A six-day programme which aimed at developing supervisory and leadership skills of Managers and Supervisors was held at Le Nénuphar from September to October 2018

WORKSHOP ON DATA PROTECTION

Workshop organised on 11 October 2018 at Le Labourdonnais Waterfront Hotel which aimed at providing Management and Data Controllers the knowledge required in order to be compliant with the Data Protection Act.

FORE

SIGHT

By making an effort to understand the needs of our customers and communities, we are able to visualise a better future and make it real through diligent planning.

DIRECTORS' Report

The Group's Turnover maintained its growth to reach Rs 4.9 BN, or an increase of almost 9% compared to 2017. This growth was achieved at all the cluster levels despite an increasing challenging environment.

Our operating profit rose by 4% to reach Rs 827 M against Rs 795 M last year. Last year's figure, however, included profit on disposal of shares in a listed company of Rs 205 M. Adjusting for this, the operating profit shows an increase of over 40% against last year. Our continued focus on cost containment and introduction of new products and services helped achieve this result.

The Group closed the year with a NPAT of Rs 421 M compared to Rs 440 M in the previous year. On a comparable basis, excluding the profit on disposal of shares in 2017, the NPAT would stand at Rs 421 M in 2018 compared to Rs 235 M last year, or an increase of 79%.

The net profit attributable to equity holders amounted to Rs 139 M in 2018 from Rs 193 M in 2017 (or from a negative Rs 9 M excluding the profit on disposal).

- The Technology cluster's results showed good progress, with an increase in turnover contributed by almost all the companies of the cluster. Our agility to be innovative has allowed the companies to pursue their investment plans, allowing us to offer not only new products and services, but also allowed entry into new markets.
- The Group's strategy of seeking improvement in rental yield for its Real Estate cluster is progressing well, and the reconversion of Phoenix Central into an office destination has been completed. Another key project earmarked and started in 2018 was the development of our property at John Kennedy Street, which will consist of different food outlets and retail points. The project is set to be completed early 2019.
- On the Hospitality front, one major development in 2018 was the start of the construction of the hotel at Le Chaland, after two consecutive years of legal battles and substantial legal costs incurred. The Group also acquired Silver Wings Travels Ltd early 2018, a previously family-owned business, which helped strengthen the cluster's activities.
- The Group streamlined its businesses within the Commerce & Financial cluster at the end of 2018, so as to have a better focus on core profitable businesses.

The Group's other comprehensive income was affected by a decrease in value of quoted investments of Rs 335 M in 2018, compared to an appreciation in 2017. This was, however, partly mitigated by positive movements on post-employment benefits, arising from changes in financial assumptions, of Rs 54 M and gain on revaluation of property, plant and equipment of Rs 24 M.

As a result of the above, the Group's total comprehensive income ended at Rs 182 M compared to Rs 515 M in the previous year.

The Company's NPAT grew to Rs 400 M compared to Rs 249 M in 2017, mainly due to higher dividend received from its investments.

The Company paid out dividend of Rs 110 M in 2018 compared to Rs 100 M last year.

DIRECTORS

The following directors held office during the year ended 31 December 2018:

Bashirali A. Currimjee

Anil C. Currimjee

Ashraf M. Currimjee

Azim F. Currimjee

Mazahir F. E. Adamjee

Geerja Shankar Ramdaursingh

Riaz A. Currimjee

Christophe de Backer

Shahrukh D. Marfatia

M. Iqbal Oozeer

Aisha Timol- appointed on 24th of May 2018

Karim Barday – appointed on 13th of July 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Group and of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. 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.

DONATIONS

During the year ended 31 December 2018, donations amounting to **Rs 1,173,000 and Rs 1,118,000** (2017 – Rs 1,337,000) were made by the Group and the Company respectively.

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office. The directors shall propose their re-appointment at the Annual Meeting.

ACKNOWLEDGEMENT

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff for their hard work, dedication, commitment and loyalty to the Company.

Mr Anil C. Currimjee	**Mr Mazahir F.E. Adamjee**
Managing Director	*Director*

10 April 2019

INDEPENDENT AUDITORS' Report

To the shareholders of Currimjee Jeewanjee and Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion on consolidated financial statements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the financial position of Currimjee Jeewanjee and Company Limited and its subsidiaries (together the "Group") as at 31 December 2018, 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.

Opinion on separate financial statements

In our opinion, the separate financial statements give a true and fair view of the financial position of Currimjee Jeewanjee and Company Limited (the "Company") standing alone as at 31 December 2018, and of its financial performance and its 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

Currimjee Jeewanjee and Company Limited's consolidated and separate financial statements set out on pages 165 to 251 comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

Basis for Qualified Opinion

The financial statements of Currimjee Jeewanjee and Company Limited group are prepared using IFRS 9 except for one of its subsidiaries, Island Life Assurance Limited (ILA) which meets the criteria for eligibility of a temporary exemption from the application of IFRS 9 until 2022. The exemption is only eligible at ILA level and the group has to prepare its financial statements under IFRS 9. However, the impact of IFRS 9 on ILA financial statements has not been quantified at group level and accordingly the possible resulting misstatements has not been quantified on group financial statements.

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 qualified opinion.

Independence

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, the corporate governance report and the secretary's report but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance 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. As described in the Basis for Qualified Opinion on page 162, the financial statements of Currimjee

Jeewanjee and Company Limited group are prepared using IFRS 9 except for one of its subsidiaries, Island Life Assurance Limited (ILA) which meets the criteria for eligibility of a temporary exemption from the application of IFRS 9 until 2022. The exemption is only eligible at ILA level and the group has to prepare its financial statements under IFRS 9. However, the impact of IFRS 9 on ILA financial statements has not been quantified at group level and accordingly the possible resulting misstatements has not been quantified on group financial statements. We are unable to conclude if the possible resulting misstatements are material to the group financial statements for the same reason as described in the Basis for qualified opinion on page 162.

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

Corporate Governance Report

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Currimjee Jeewanjee and Company Limited (Continued)

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

- 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.

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.

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 auditor, tax advisor, business advisor and dealings in the ordinary course of business of some of its subsidiaries;

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

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

Other Matter

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

PricewaterhouseCoopers

10 April 2019

Olivier Rey
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CONSOLIDATED AND SEPARATE INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Revenue (Note 4)	**4,864,726**	4,470,173	**7,730**	8,734
Cost of sales	**(2,381,539)**	(2,299,977)	**(7,030)**	(8,105)
Gross profit	**2,483,187**	2,170,196	**700**	629
Other operating income – net (Note 5)	**111,271**	299,657	**794,769**	697,140
Selling and distribution costs	**(452,676)**	(446,220)	**-**	-
Administrative expenses	**(1,314,910)**	(1,228,542)	**(205,298)**	(238,341)
Operating profit (Note 6)	**826,872**	795,091	**590,171**	459,428
Finance costs (Note 8)	**(297,451)**	(305,137)	**(216,040)**	(233,210)
Finance income (Note 8)	**43,079**	48,373	**25,528**	22,628
Finance costs – net (Note 8)	**(254,372)**	(256,764)	**(190,512)**	(210,582)
Share of profit of associates (Note 14)	**55,906**	55,679	**-**	-
Profit before taxation	**628,406**	594,006	**399,659**	248,846
Income tax expense (Note 9)	**(207,772)**	(154,143)	**-**	-
Profit for the year	**420,634**	439,863	**399,659**	248,846
Profit attributable to :				
Owners of the parent	**139,121**	192,953		
Non-controlling interest	**281,513**	246,910		
	420,634	439,863		

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the year	**420,634**	439,863	**399,659**	248,846
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipment	**8,032**	9,330	**59**	103
Group share on revaluation of property, plant and equipment in associates	**16,271**	(26,858)	**-**	-
Group share of other comprehensive income in associates	**8,132**	3,533	**-**	-
Fair value loss on financial assets at fair value through other comprehensive income (Note 15)	**(335,165)**	-	**-**	-
Remeasurement of post-employment benefit obligations (Note 25)	**54,210**	(110,144)	**15,942**	(65,349)
	(248,520)	(124,139)	**16,001**	(65,246)
Items that may be subsequently reclassified to profit or loss				
Fair value (loss)/gain on available-for-sale financial assets (Note 15)	**-**	438,565	**-**	-
Fair value gain on disposal of available-for-sale financial assets recycled to income statement	**-**	(204,702)	**-**	-
Currency translation difference	**10,310**	(34,856)	**-**	-
	10,310	199,007	**-**	-
Other comprehensive income for the year, net of tax	**(238,210)**	74,868	**16,001**	(65,246)
Total comprehensive income for the year	**182,424**	514,731	**415,660**	183,600
Total comprehensive income for the year				
Attributable to:				
Owners of the parent	**(106,010)**	271,266		
Non-controlling interest	**288,434**	243,465		
	182,424	514,731		

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 9.

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
ASSETS	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Non-current assets				
Freehold land and buildings (Note 10)	**861,526**	700,896	**8,122**	8,381
Property, plant and equipment (Note 10)	**2,847,222**	2,209,855	**62,419**	25,076
Investment properties (Note 11)	**2,169,683**	2,264,484	**218,328**	205,483
Intangible assets (Note 12)	**463,698**	514,170	**6,524**	4,019
Investments in subsidiaries (Note 13)	**-**	-	**4,424,168**	4,001,771
Investments in associates (Note 14)	**378,534**	356,468	**31,872**	31,872
Financial assets at fair value through OCI (Note 15)	**417,115**	721,565	**11,992**	6,092
Financial assets at fair value through profit or loss (Note 16)	**447,776**	463,019	**-**	-
Loans and receivables (Note 17)	**580,646**	471,755	**337,434**	336,536
Prepaid operating lease (Note 18)	**171,550**	169,197	**-**	-
Deferred income tax asset (Note 19(i))	**8**	12	**-**	-
	8,337,758	7,871,421	**5,100,859**	4,619,230
Current assets				
Inventories (Note 20)	**122,989**	97,333		-
Financial assets at fair value through OCI (Note 15)	**16,137**	61,694		-
Loans and receivables (Note 17)	**810,390**	648,113	**451,557**	418,416
Cash and cash equivalents (Note 30)	**749,864**	424,645	**10,853**	10,802
	1,699,380	1,231,785	**462,410**	429,218
Assets held for sale (Note 21)	**1,544**	895	**-**	-
	1,700,924	1,232,680	**462,410**	429,218
Total assets	**10,038,682**	9,104,101	**5,563,269**	5,048,448

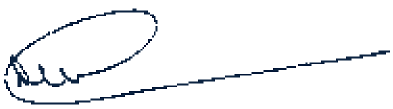
The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

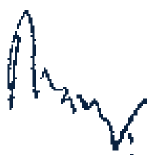
31 DECEMBER 2018 (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital (Note 22)	**29,700**	29,700	**29,700**	29,700
Revaluation reserve	**251,030**	228,720	**8,158**	8,099
Fair value reserve	**194,827**	571,309	**-**	-
Foreign currency translation reserve	**114,000**	94,992	**-**	-
Other reserves	**13,011**	13,011	**-**	-
Retained earnings	**255,092**	137,040	**1,300,679**	995,478
	857,660	1,074,772	**1,338,537**	1,033,277
Non-controlling interests	**515,781**	541,675	**-**	-
Total equity	**1,373,441**	1,616,447	**1,338,537**	1,033,277
LIABILITIES				
Non-current liabilities				
Life assurance funds (Note 23)	**888,009**	781,492	**-**	-
Borrowings (Note 24)	**3,192,492**	2,902,397	**2,464,707**	2,254,024
Deferred income tax liabilities (Note 19(ii))	**223,728**	238,494	**-**	-
Post-employment benefits (Note 25)	**515,922**	601,179	**426,372**	472,464
Provision for asset retirement obligations (Note 26)	**67,950**	53,511	**-**	-
Trade and other payables (Note 27(i))	**16,116**	11,652	**-**	-
	4,904,217	4,588,725	**2,891,079**	2,726,488
Current liabilities				
Life assurance funds (Note 23)	**111,842**	95,329	**-**	-
Trade and other payables (Note 27(i))	**1,470,629**	1,033,524	**74,684**	69,385
Current income tax liability (Note 9 (a))	**103,022**	107,220	**-**	-
Post-employment benefits (Note 25)	**2,387**	-	**-**	-
Borrowings (Note 24)	**2,027,858**	1,610,469	**1,258,969**	1,219,298
Provisions for other liabilities and charges (Note 27(ii))	**45,286**	52,387	**-**	-
	3,761,024	2,898,929	**1,333,653**	1,288,683
Total liabilities	**8,665,241**	7,487,654	**4,224,732**	4,015,171
Total equity and liabilities	**10,038,682**	9,104,101	**5,563,269**	5,048,448

Authorised for issue by the Board of Directors on and signed on its behalf by:



Mr Anil C. Currimjee
Managing Director



Mr Mazahir F.E. Adamjee
Director

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the parent								
	Share capital	Revaluation reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interests	Total equity
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Group									
At 01 January 2017	29,700	248,555	224,790	240,611	44,104	149,092	936,852	524,217	1,461,069
Comprehensive income									
Profit for the year	-	-	-	-	-	192,953	192,953	246,910	439,863
Other comprehensive income (net of tax)									
Revaluation of property (Note 10)	-	8,913	-	-	-	-	8,913	2,307	11,220
Deferred tax on revaluation (Note 9)	-	(1,890)	-	-	-	-	(1,890)	-	(1,890)
Group share of other comprehensive income in associates	-	(26,858)	-	3,799	-	(266)	(23,325)	-	(23,325)
Disposal of available for sale assets	-	-	(202,655)	-	-	-	(202,655)	(2,047)	(204,702)
Remeasurement of post employment benefits (Note 25)	-	-	-	-	-	(104,609)	(104,609)	(8,955)	(113,464)
Deferred tax on remeasurement of post employment benefits	-	-	-	-	-	2,123	2,123	1,297	3,320
Fair value gain on financial assets at fair value through OCI (Note 15)	-	-	434,124	-	-	-	434,124	4,441	438,565
Currency translation difference recognised directly in reserves	-	-	-	(34,368)	-	-	(34,368)	(488)	(34,856)
Total comprehensive income	-	(19,835)	231,469	(30,569)	-	90,201	271,266	243,465	514,731
Transactions with owners									
Loss on acquisition of subsidiary	-	-	-	-	(31,093)	-	(31,093)	-	(31,093)
Foreign currency translation reserve recycled to fair value reserves	-	-	115,050	(115,050)	-	-	-	-	-
Reserves of Island Life Assurance Co. Ltd transferred to life fund	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Dividends paid (Note 31)	-	-	-	-	-	(100,300)	(100,300)	(226,007)	(326,307)
At 31 December 2017	**29,700**	**228,720**	**571,309**	**94,992**	**13,011**	**137,040**	**1,074,772**	**541,675**	**1,616,447**

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the parent								
	Share capital	Revaluation reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Group									
Profit for the year	-	-	-	-	-	139,121	139,121	281,513	420,634
Other comprehensive income (net of tax)									
Revaluation of property (Note 10)	-	7,264	-	-	-	-	7,264	2,401	9,665
Deferred tax on revaluation (Note 9)	-	(1,225)	-	-	-	-	(1,225)	(408)	(1,633)
Group share of other comprehensive income in associates	-	16,271	-	8,796	-	(664)	24,403	-	24,403
Adjustment on disposal of financial assets held at fair value through OCI	-	-	(44,770)	-	-	44,770	-	-	-
Remeasurement of post employment benefits (Note 25)		-	-	-	-	47,821	47,821	9,718	57,539
Deferred tax on remeasurement of post employment benefits	-	-	-	-	-	(1,894)	(1,894)	(1,435)	(3,329)
Fair value gain on financial assets at fair value through OCI (Note 15)	-	-	(331,712)	-	-	-	(331,712)	(3,453)	(335,165)
Currency translation difference recognised directly in reserves	-	-	-	10,212	-	-	10,212	98	10,310
Total comprehensive income	-	22,310	(376,482)	19,008	-	229,154	(106,010)	288,434	182,424
Transactions with owners									
Adjustment on disposal of subsidiary	-	-	-	-	-	9,237	9,237	-	9,237
Adjustment on new subsidiary						(9,939)	(9,939)		(9,939)
Dividends paid (Note 31)	-	-	-	-	-	(110,400)	(110,400)	(314,328)	(424,728)
At 31 December 2018	29,700	251,030	194,827	114,000	13,011	255,092	857,660	515,781	1,373,441

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Company	Share capital Rs'000	Revaluation reserve Rs'000	Retained earnings Rs'000	Total equity Rs'000
At 01 January 2017	29,700	7,996	912,281	949,977
Comprehensive income				
Profit for the year	-	-	248,846	248,846
Revaluation of property (Note 10)	-	103	-	103
Remeasurement of post-employment benefits (Note 25)			(65,349)	(65,349)
Total comprehensive income	-	103	183,497	183,600
Transactions with owners				
Dividends paid (Note 31)	-	-	(100,300)	(100,300)
At 31 December 2017	29,700	8,099	995,478	1,033,277
Comprehensive income				
Profit for the year	**-**	**-**	**399,659**	**399,659**
Revaluation of property (Note 10)	**-**	**59**	**-**	**59**
Remeasurement of post employment benefits (Note 25)	**-**	**-**	**15,942**	**15,942**
Total comprehensive income	**-**	**59**	**415,601**	**415,660**
Transactions with owners				
Dividends paid (Note 31)	**-**	**-**	**(110,400)**	**(110,400)**
At 31 December 2018	**29,700**	**8,158**	**1,300,679**	**1,338,537**

The revaluation reserve represents the revaluation surplus on freehold land and buildings.

The fair value reserve relates to revaluation surplus on available-for-sale investments.

The other reserves relate to the Group's share of reserves in associates and the acquisition of Silver Wings Travels Ltd, now a wholly owned subsidiary.

The foreign currency translation reserve consists of the exchange difference arising on the consolidation of subsidiaries whose functional currencies are denominated in foreign currencies.

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities				
Cash generated from/(used in) operating activities (Note 28)	**1,917,957**	1,393,166	**(201,805)**	(256,403)
Interest received	**34,325**	38,119	**20,912**	24,024
Interest paid	**(280,187)**	(295,250)	**(201,146)**	(207,813)
Tax paid (Note 9)	**(231,694)**	(214,396)	**-**	-
Net cash generated from/(used in) operating activities	**1,440,401**	921,639	**(382,039)**	(440,192)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	**25,699**	15,971	**2,484**	953
Proceeds from disposal of investment property	**8,159**	1,465	**-**	-
Proceeds from disposal of available for sale investments	**61,051**	219,477	**-**	-
Proceeds from asset held for sale	**2,681**	94,994	**-**	-
Proceeds from disposal of financial asset at fair value through profit or loss	**84,356**	82,523	**-**	-
Payments for purchase of property, plant and equipment (Note 10)	**(1,311,878)**	(443,566)	**(48,239)**	(12,266)
Payments for purchase of intangible assets (Note 12)	**(29,408)**	(145,628)	**(4,499)**	(2,578)
Payments for purchase of financial assets at fair value through OCI (Note 15)	**(36,370)**	(2,100)	**(6,000)**	(2,100)
Additional investments in subsidiaries	**-**	-	**(410,899)**	(66,000)
Payments for purchase of share in subsidiary	**-**	(52,687)	**-**	-
Additional prepayments for operating lease (Note 18)	**(5,727)**	(528)	**-**	-
Payments for purchase of investment properties (Note 11)	**(59,546)**	(103,894)	**(10,156)**	(1,759)
Payments for purchase of financial assets at fair value through profit or loss (Note 15)	**(43,881)**	(53,070)	**-**	-
Payment for purchase of debt securities (Note 17 (v))	**(148,817)**	(25,120)		
Proceeds from disposal of debt securities (Note17 (v))	**16,378**	-	**-**	-
Loans granted	**(62,834)**	(65,960)		(69,230)
Loans repayments received	**29,953**	73,757		123,092
Loans made to parent	**(900)**	(900)	**(900)**	-
Deposits placed with financial institutions	**(118)**	7,380	**-**	-
Dividends received from subsidiaries (Note 5)	**10,091**	1,902	**715,416**	638,152
Dividends received from associates (Note 14)	**58,243**	28,841	**-**	-
Net cash (used in)/from investing activities	**(1,402,868)**	(367,143)	**237,207**	608,264

The notes on pages 174 to 251 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from financing activities				
Bank loans received	**7,165,065**	1,531,000	**1,301,000**	150,000
Bank loans repaid	**(6,527,940)**	(1,683,871)	**(1,127,213)**	(313,104)
Capital element of finance lease payments (Note 29)	**(8,819)**	(10,717)	**(5,224)**	(2,752)
Proceeds on inception of finance leases (Note 29)	**7,527**	4,814	**7,527**	2,208
Loans raised from shareholders (Note 35)	**-**	125,000	**-**	125,000
Loans raised from subsidiaries (Note 35)	**-**	-	**40,000**	11,700
Loans repaid to subsidiaries (Note 35)	**-**	-	**(5,000)**	
Loans raised from directors (Note 35)	**5,720**	14,836	**5,720**	14,836
Loans repaid to directors	**(5,350)**	(2,486)	**(5,350)**	(2,486)
Other loans raised	**119,952**	64,728	**47,504**	51,442
Other loans repaid	**(80,618)**	(42,535)	**(44,288)**	(32,850)
Dividends paid to group shareholders	**(110,400)**	(100,300)	**(110,400)**	(100,300)
Dividends paid to non-controlling interests	**(314,328)**	(226,007)	**-**	-
Net cash used in financing activities	**250,809**	(325,538)	**104,276**	(96,306)
Increase/(decrease) in cash and cash equivalents	**288,342**	228,958	**(40,566)**	71,766
Cash and cash equivalents at beginning of year	**321,600**	92,642	**(31,700)**	(103,466)
Cash and cash equivalents at end of year (Note 30)	**609,942**	321,600	**(72,256)**	(31,700)

The notes on pages 174 to 251 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies apply to the Group and Company, and have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

In the separate financial statements, Currimjee Jeewanjee and Company Limited is referred to as the "Company" whereas the consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS. The financial statements also comply with the Mauritian Companies Act 2001. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings, investment properties, financial assets at fair value through profit or loss and available-for-sale investments.

During the year, the Group and the Company made a profit of **Rs 420,634,000** (2017 - Rs 439,863,000) and **Rs 399,659,000** (2017 - Rs 248,846,000), respectively. At the statement of financial position date, the Group and the Company's current liabilities exceeded their current assets by **Rs 2,060,100,000** (2017 - Rs 1,666,249,000) and **Rs 871,243,000** (2017 - Rs 859,465,000), respectively.

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future and depends on the continued support of the Group's bank.

The Company has agreed with its bankers on a planned sale of investments in the short to medium terms in order to honour its commitments on debt reduction.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

(a) Critical accounting estimates and assumptions

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- Post-employment 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. Critical assumptions are made by the actuary in determining the present value of retirement benefit obligations. These assumptions are set out in Note 25.

- Estimate of recoverable amount of investments in subsidiaries

The recoverable amount of investments in some subsidiaries has been determined based on value in use calculations and fair value less costs to sell. These calculations require the use of estimates, including discounted cash flows based on management's expectations of future revenue growth, operating costs and profit margins for each subsidiary. The bases of these calculations are set out in note 13.

- Life assurance fund (Note 23) – estimates of future benefit payments under the long-term insurance contracts

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the actuary. Estimates are made as to the expected number of deaths for each of the years in which the Group is exposed to risk. The actuary bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the actuary's own experience. The estimated number of deaths determines the value of the benefit payments and the value of the valuation premiums. The main source of uncertainty is that epidemics such as AIDS and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in future mortality being significantly worse than in the past for the age groups in which the Group has significant exposure to mortality risk. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected mortality improvements. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Group is exposed to longevity risk.

Long-term business technical provisions are computed using statistical or mathematical methods. The computations are made by the Group's actuaries on the basis of recognised actuarial methods, with due regard to the actuarial principles laid down by the law and by actuarial best practices. The methodology takes into account the risks and uncertainties of the particular classes of long-term business written and the results are certified by the actuaries undertaking the valuations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Critical accounting estimates and assumptions (Continued)

- Life assurance fund (Note 23) - estimates of future benefit payments under the long-term insurance contracts (Continued)

For long-term insurance contracts with fixed and guaranteed terms, estimates are made in two stages. Estimates of future deaths, voluntary terminations, investment returns and administration expenses are made at the inception of the contract and form the assumptions used for calculating the liabilities during the life of the contract. A margin for risk and uncertainty is added to these assumptions. These assumptions are 'locked in' for the duration of the contract. New estimates are made each subsequent year in order to determine whether the previous liabilities are adequate in the light of these latest estimates. If the liabilities are considered adequate, the assumptions are not altered. If they are not adequate, the assumptions are altered ('unlocked') to reflect the best estimate assumptions.

The reasonableness of the estimation process of future benefit payments is tested by an analysis of sensitivity under several different scenarios. The analysis enables the Group to assess the most significant assumptions and monitor the emerging variations accordingly.

Liabilities in relation to death and disability benefits are amortised by reinsuring the yearly sums at risk above the retention limit against payment of respective reassurance premiums. The sensitivity analysis has been disclosed in Note 3(d).

- Provision for asset retirement obligation

In one of the Group's subsidiaries, the directors have estimated the costs of dismantling, removing antennas and restoring the leased sites to their original conditions which have been provided in full in the financial statements. This assumes that the effect of the inflationary increase on the costs will be minimised on discounting such costs to their present values. These assumptions and the sensitivity analysis are set out in Note 26.

- Fair value estimates of property, plant and equipment

The fair value at 31 December 2018 comprises the best estimate of market value by independent valuations performed by external property valuers. The best evidence of fair value is the current price in an active market for similar properties as set out in Note 10.

- Fair value estimates of investment properties

The fair value at 31 December 2018 comprises the best estimate of market value by independent valuations performed by external property valuers. The best evidence of fair value is the current price in an active market for similar properties, please refer to Note 11.

- Income taxes

The Group is subject to income taxes at an average tax rate 17% (2017 – 17%). Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The Group has a current tax receivable of Rs 80.4 million, please refer to Note 17.

- Fair value of financial instruments

For financial instruments traded in active markets, the determination of fair values of financial assets is based on quoted market prices. This includes listed equity securities and quoted debt instruments on major stock exchanges. The quoted market price used for financial assets held by the Company is the current bid prices.

If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. The sensitivity analysis is set out on Note 2.

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

(a) Critical judgements in applying the entity's accounting policies

In preparing the financial statements, the directors, in the process of applying the Group's accounting policies, did not make any judgement other than those involving estimates that could have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group and the Company

The Group and Company have applied the following standards and amendments for the first time for their annual reporting period commencing 01 January 2018:

IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 'Revenue from contracts with customers' during the reporting period ended 31 December 2018. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The adoption did not have a significant effect on the current or prior period.

IFRS 9 Financial Instruments

The Group has adopted IFRS 9 'Financial instruments'. IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income with no recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts

The adoption of these standards did not have any significant impact on the Group's accounting policies.

The Group has elected to apply the limited exemption in IFRS 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application, as a consequence:

(a) any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings.

(b) financial assets are not reclassified in the balance sheet for the comparative period.

(c) provisions for impairment have not been restated in the comparative period.

Since IFRS has not been retrospectively applied, the profit figures for 2017 is maintained at Rs 439,863,000. Had IFRS 9 been applied retrospectively in 2017, the net profit figures would have been lower by Rs 204,702,000, representing the profit on disposal of shares held in Bharti Airtel, bringing it to Rs 235,161,000.

Impairment

The Group has adopted the simplified expected credit loss model for its trade receivables and contract assets, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model for debt investments carried at amortised cost and debt investments carried at fair value through other comprehensive income. All of the group's debt investments have low credit risk at both the beginning and end of the reporting period.

The Group had to change its accounting policies and make certain retrospective adjustments following the adoption of IFRS 9 and IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures (Continued)

(a) New and amended standards adopted by the Group and the Company (Continued)

Classification and measurement of financial instruments.

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 are compared as follows:

Financial statement line items	Classification under IAS 39	Classification under IFRS9	Amount
			Rs'000
Loans and receivables	Loans and receivables (amortised cost)	Financial assets at amortised cost	**1,218,418**
Loans and receivables	Held to maturity investments	Financial assets at amortised cost	**172,618**
Cash and cash equivalents	Cash and cash equivalents	Cash and cash equivalents	**749,864**
Financial assets at fair value through OCI	Available for sale	Financial assets at fair value through other comprehensive income	**433,252**
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost	**1,486,745**
Borrowings	Financial liabilities at amortised cost	Financial liabilities at amortised cost	**5,220,350**

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning after 1 January 2018 and not adopted early

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below.

IFRS 16, 'Leases' will result in all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. As at the reporting date, the group has non-cancellable operating lease commitments of **MUR 772,264,000** (2017 – Rs 789,726,000), see note 33. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after 01 January 2019. At this stage, the group does not intend to adopt the standard before its effective date.

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning after 1 January 2018 and not adopted early (Continued)

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. The standard is effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted. The directors have not yet assessed the impact of this standard on the financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Consolidation

- Subsidiaries

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 Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains and losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

- Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of 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 re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

- Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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 is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

Investment in subsidiaries and associates in the Company's separate financial statements

Investments in subsidiaries and associates are recognised at cost (which includes transaction costs) in the separate financial statements of the Company.

Subsequently, where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Foreign currency translation

- Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in thousands of Mauritian rupee.

In the separate financial statements of the Company, items are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The separate financial statements are presented in thousands of Mauritian rupee, which is the Company's functional currency.

- Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income - net'.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

- Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in other comprehensive income.

- Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each income statement are translated at average exchange rate, unless the average exchange rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in 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. Exchange differences arising are recognised in other comprehensive income.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The directors determine the classification of its financial assets at initial recognition.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'loans and receivables' and 'cash and cash equivalents' in the statements of financial position.

- Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or the directors intend to dispose of it within 12 months of the end of the reporting period.

Financial assets – recognition and measurement

Recognition

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.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets – recognition and measurement

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade receivables' in the statement of financial position. Subsequent measurement of loan and receivables is at amortised cost given that these are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Directors have elected to present fair value gains and losses on equity investments in statement of other comprehensive income and there is no subsequent reclassification of fair value gains and losses to the statement of comprehensive income following the derecognition of the investment. Dividends from such investments are to be recognised in the statement of comprehensive income as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of comprehensive income as applicable. Impairment losses and reversal of impairment losses on equity investments measured at fair value through other comprehensive income (FVOCI) are not reported separately from other changes in fair value.

Property, plant and equipment

Freehold land and buildings and buildings on leasehold land are shown at fair value, based on a periodic but at least triennial valuation by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the assets, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of freehold land and buildings and buildings on leasehold land are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings and buildings on long leasehold land	2.0% to 5.0%
Plant, equipment and other assets	10.0% to 50.0%
Motor vehicles	20.0% to 33.0%
Furniture and fittings	5.0% to 22.0%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income/(expenses)-net' in profit or loss. On disposal of revalued assets, the surplus on revaluation remaining in revaluation reserve for these assets is transferred to retained earnings.

Property, plant and equipment which have been funded through finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group or the Company, are classified as investment properties. Investment properties comprise office buildings and retail outlets leased out under operating lease agreements.

Some properties may be partially occupied by the Group, with the remainder being held for rental income or capital appreciation. If that part of the property occupied by the Group can be sold separately, the Group accounts for the portions separately. The portion that is owner-occupied is accounted for under IAS 16, and the portion that is held for rental income or capital appreciation or both is treated as investment property under IAS 40. When the portions cannot be sold separately, the whole property is treated as investment property only if an insignificant portion is owner-occupied. The Group considers the owner-occupied portion as insignificant when the property is more than 95% held to earn rental income or capital appreciation. In order to determine the percentage of the portions, the Group uses the size of the property measured in square metre.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated on the basis of recent transactions in similar properties adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

The Group only enters as lessor into lease agreements that are classified as operating leases (IAS 17). A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The properties leased out under operating leases are included in 'Investment properties'. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term. The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and depreciated over the lease term.

Insurance contracts

(a) Classification

One of the Group's subsidiary issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

(b) Recognition and measurement

The Group issues long-term insurance contracts with fixed and guaranteed terms. These contracts insure events associated with human life (for example death, or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums).

The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

The liabilities are recalculated at each reporting date using the assumptions established at valuation date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Insurance contracts (Continued)

(c) Minimum capital requirement test

As required by the Long Term Insurance Solvency Rules, an insurer shall at all times maintain a solvency margin that is at least equal to the Minimum Capital Requirement. The Minimum Capital Requirement for an insurer shall be determined by its actuary as the higher of a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the long-term insurer remains solvent or the higher of an amount of Rs 25 million or an amount representing 13 weeks' operating expenses. The purpose of the set stress requirement is to quantify the minimum level of assets in excess of liabilities so as to enable the insurer to meet all the obligations as and when they are due and to provide sufficient cushion against adverse deviations in experience in any of the variables used in the valuation of liabilities. Stress Test Requirements equals the higher of the "Termination Capital Adequacy Requirements" (TCAR) and the "Ordinary Capital Adequacy Requirements" (OCAR).

As set out in (b) above, long-term insurance contracts with fixed terms are measured based on assumptions set out at the valuation date.

(d) Reinsurance contracts held

Contracts entered into by one of the Group's subsidiaries with reinsurers under which the subsidiary is compensated for losses on one or more contracts issued by the subsidiary and that meet the classification requirements for insurance contracts in (a) above are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the subsidiary under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

The benefits to which the subsidiary is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within loans and receivables), as well as longer term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the subsidiary's property or casualty insurance contracts. Where the premium due to the reinsurers differs from the liability established by the subsidiary for the related claim, the difference is amortised over the estimated remaining settlement period.

The subsidiary assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the subsidiary reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss. The subsidiary gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is also calculated following the same method used for these financial assets.

(e) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in profit or loss. The Company gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is also calculated under the same method used for these financial assets.

Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Computer software costs

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software.

These costs are amortised over their estimated useful life (5 years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

(c) Patent rights and licences

Separately acquired patents and licences are initially recognised at cost. Subsequently, they are carried at cost less amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patent and licences over their useful lives of 5 – 15 years.

(d) Indefeasible Rights of Use (“IRU”)

Capacity purchased on an Indefeasible rights of use (“IRU”) basis is shown under non-current assets. The IRU is amortised on a straight-line basis over the contract period of 15 years from the effective date of the IRU’s purchase. Remaining useful life is approximately is 9 years.

Impairment of non-financial assets

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

Trade receivables

Trade receivables are amounts due from customers for goods and services sold in the ordinary course of the business. They are generally due for settlement within 30 and 90 days and therefore are all classified as current. 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 Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Company applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade receivables.

Trade receivables have been grouped based on shared credit characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over the last 3 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. The Company has identified Gross Domestic Product (GDP) to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average cost (“AVCO”) method and includes all costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in progress comprises purchase price, materials and all applicable expenses. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Property held for resale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity.

Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is done within one year or less. If not they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowings

Borrowings are recognised initially at fair value, 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, deferred income tax is not accounted for if it 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions

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 will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provision for asset retirement obligations

This provision relates to the estimated cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located to its original condition. The Group provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land.

The Group only recognises these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place. The expected percentage has been based on actual experience in the respective operations.

A provision is made for the present value of the estimated future decommissioning costs at the end of the life of the site/expected lease term. When this provision gives rise to future economic benefits, an asset is recognised, otherwise the costs are charged to profit or loss. The estimated cost is discounted at a pre-tax rate that reflects current market assessments of the time value of money. The increase in the decommissioning provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

(a) Pension obligations

The Group has both defined benefit and defined contribution plans. 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, years of service and compensation. 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.

- Defined benefit pension

Group companies operate various pension schemes for employees eligible for a defined benefit schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Where employees are not covered under defined pension scheme, the present value of severance allowances calculated on the basis the enacted laws in the countries where the respective entity operates has been provided for. The present value of severance allowances has been disclosed within unfunded obligations under retirement benefit obligations.

- Defined contribution plan

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Other post-employment obligations

Some Group companies provide post-retirement healthcare and other benefits apart from pensions to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by a group entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific criterias must also be met. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and upon customer acceptance if any, or performance of services, net of value added taxes and discounts. The Group's turnover reflects the invoiced value derived from operations.

Revenues from pre-paid phone cards are recognised based on actual usage by the customers.

Other revenues earned by the Group are recognised on the following bases:

(i) Dividend income is recognised when the shareholder's right to receive payment is established.

(ii) Interest income is recognised using the effective interest method. Interest income includes accrued discount on Treasury Bills.

(iii) Commitment fee is recognised at the time of the signature of the lease agreement.

(iv) Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Life assurance fund

At the end of every year the amount of the liabilities of the life assurance fund is established. Effective from the year 2004, the adequacy of the fund is determined annually by actuarial valuation. Under current legislation, an annual actuarial reporting is required by Financial Services Commission. Based on the annual actuarial valuation, the actuary recommends the bonus declaration and the amount of actuarial surplus that can be transferred from profit or loss.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which dividends are approved by the Group's shareholders.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under policies approved by the Board of Directors.

(a) Market risk

- Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar ("USD"), Euro ("EUR"), and Indian rupee ("INR"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Group companies individually manage foreign exchange risk against their functional currency by:

(i) Forecasting their requirements for foreign currencies and retaining, wherever possible, such amounts necessary to settle amounts denominated in foreign currencies.

(ii) Buying foreign currencies at forward rates or negotiated spot rate with commercial banks. Selling excess foreign currencies on the local market.

Sensitivity analysis

The profitability of the Group and Company is sensitive to foreign exchange gains/losses on translation of fair value through OCI, loans and receivables, cash and cash equivalents, net of borrowings and trade and other payables. The tables below depicts the sensitivity of the Group's and Company's post tax profit to changes in the exchange rates of the major currencies to which the Group and Company is exposed.

	USD	EUR	INR
	%	%	%
Group			
Hypothetical rate of appreciation/(depreciation) of the Mauritian rupee against the foreign currency	**(2)**	**3**	**7**
	USD	EUR	INR
	Rs'000	Rs'000	Rs'000
Hypothetical effect on group post tax profit:			
Increase/(Decrease) in post tax profit for the year ended 31 December 2018	**(1,383)**	**4,750**	**(24,115)**
Hypothetical rate of appreciation of the Mauritian rupee against the foreign currency	7	(6)	0.4
Increase/ (decrease) in post tax profit for the year ended 31 December 2017	959	(4,927)	(2,880)

	2018		2017	
	USD	EUR	USD	EUR
	%	%	%	%
Company				
Hypothetical rate of appreciation/(depreciation) of the Mauritian rupee against the foreign currency	**(2)**	**3**	7	(6)
	USD	EUR	USD	EUR
	Rs'000	Rs'000	Rs'000	Rs'000
Increase/(decrease) in post tax profit for the year ended 31 December	**(48)**	**46**	1,851	(11,436)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

- Price risk

The Group is exposed to equity securities price risk in respect of the available-for-sale investments and financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. The Group's strategy for its financial assets at fair value through OCI is to hold them for long term capital appreciation and is not influenced by short term market fluctuations. However, the Directors monitor the equity markets on a daily basis and the Board of Directors meet on a regular basis to review the performance of these investments.

The available-for-sale investment consists primarily of investment in a company incorporated in India and listed on the Bombay Stock Exchange and the National Stock Exchange. During the year ended 31 December 2018, the market price of this investment has lost **41%** (2017 - gain of 73%) of its value compared to the market price in 2017. At 31 December 2018, if the price of the investment had increased/decreased by a further **10%** (2017 - 10%), with all variables held constant, equity would have been **Rs 34 million** (2017 - Rs 71 million) higher/lower.

The value of quoted shares held at fair value through profit or loss would have increased/decreased by **Rs 30 million** (2017 - Rs 31 million) if a change of 10% occurred in the share price. The value of unquoted shares held at fair value through profit or loss would have increased/decreased by **Rs 15 million** (2017 - Rs 15 million) if a change of 10% occurred in the share price.

The Group is not exposed to any other significant price risk at 31 December 2018.

- Interest rate risk

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on with respect to its interest bearing assets and liabilities.

The significant interest-bearing assets include loans, hire purchase debtors and cash at bank. The loans arising on the life assurance business are on a fixed interest rate basis and are not subject to interest rate fluctuations. Interest on hire purchase debtors is fixed by law and is also not subject to interest rate fluctuations. The effective interest rate on cash and cash equivalents was **0.01%** (2017 - 0.1%); the impact of a 0.75% shift would cause a maximum shift in the post-tax profit of **Rs 4,660,000** (2017 - Rs 2,643,000).

With respect to interest-bearing liabilities, significant interest rate risk arises on the Group bank loans which are at variable rates. The effective interest charge on bank loans was **5.1%** (2017 - 6.9%); the impact of a 0.75% shift would cause a maximum shift in post tax profit of **Rs 27,646,000** (2017 - Rs 23,711,000).

The Company's effective interest charge on bank loans was **5.8%** (2017 - 6.6%); the impact of a 0.75 % shift would cause a maximum shift in post-tax profit of **Rs 18,831,000** (2017 - Rs 17,780,000).

(b) Credit risk

Credit risk arises from cash and cash equivalents, loans and receivables and financial assets at fair value through OCI.

For cash and cash equivalents, the Group and Company transacts with only highly reputable financial institutions. The Directors have assessed that the credit risk associated with cash and cash equivalents is insignificant based on the historical information of the financial strengths of the financial institutions.

Due to the diversity of the Group's activities, the credit risks associated with each type of receivables are managed according to their nature and are described below. The credit quality of these receivables is provided in Note 17.

The credit quality of financial assets at fair value through OCI is disclosed in Note 15. Credit risk is managed by the Board of each subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Trade receivables

The Group has policies in place to control the level of debts to ensure that sale of products and services are made to customers with an appropriate credit history. Such policies include credit vetting before sale, setting up credit limits, disconnection (cellular phone and pay TV subscribers) and subscription payments through direct debits amongst others.

Loans and other loans receivable

Exposure to credit risk for loans receivable is managed through analysis of the ability of borrowers to meet interest and capital repayment obligations and by changing the lending limits where appropriate. Exposure to credit risk is also managed by obtaining collaterals and guarantees, fixed charges are sought from mortgage borrowers.

Hire purchase debtors

Hire purchase debtors comprise of a wide variety of customers buying on hire purchase facilities and are from different sectors of the economy. The Group has no significant concentrations of credit risk and has policies in place to ensure that the vetting criteria are assessed and reviewed in order to take into consideration economic realities. All credit applications go through a rigorous vetting process and material contracts are subject to management approval. At the level of operations, outstanding debts are continuously monitored and relevant provisions/diminution in value is recognised as and when they become apparent.

The maximum exposure to credit risk is represented by the book values of the receivables carried in the statement of financial position without taking into account the value of any collateral obtained. Hire purchase debtors are secured over the hire purchase assets and the latter's fair values approximate the carrying amounts of hire purchase debtors at the reporting date.

Rating of assets bearing credit risks

Credit Ratings	2018 Rs'000	2017 Rs'000
A+	**1,888**	-
A	**1,863**	-
A-*	**-**	2,602
AAA	**1,948**	-
AA-	**1,922**	-
AA+u	**3,580**	-
A1+***	**3,454**	19,156
A2**	**3,451**	3,576
A3*	**1,869**	-
Aa3	**10,470**	-
BBB+*	**7,671**	5,794
BBB-*	**337,615**	713,449
Baa1**	**107,304**	40,054
Baa3**	**57,909**	63,566
CARE MAU AA	**2,000**	-

The remaining assets bearing credit risks are unrated. *The ratings for foreign investments were taken from ratings provided by Standard & Poor's. ** The ratings for local equity (MCB and SBM) and for government treasury bills and notes were taken from ratings provided by Moody's. *** The ratings for local equity were taken from ratings provided by Care Ratings. The unrated assets consist of equity investments, secured housing and policy loans, unsecured and secured loans receivable from related parties, other receivables, fixed deposits from financial institutions and cash balances.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management policies implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the finance department aims at maintaining flexibility in funding by keeping committed credit lines available.

The tables below analyses the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Trade and other payables are due within 12 months and therefore approximate their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Group					
At 31 December 2018					
Borrowings	**2,240,142**	**1,714,396**	**1,632,508**	**305,991**	**5,893,037**
Trade and other payables	**1,309,522**	**16,166**	-	-	**1,325,688**
Life assurance funds	**111,842**	**111,555**	**312,553**	**463,901**	**999,851**
	3,661,506	**1,842,117**	**1,945,061**	**769,892**	**8,218,576**
At 31 December 2017					
Borrowings	1,795,737	2,003,719	1,120,071	29,937	4,949,464
Trade and other payables	887,778	8,850	-	2,802	899,430
Life assurance funds	95,329	130,583	230,662	420,248	876,822
	2,778,844	2,143,152	1,350,733	452,987	6,725,716

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Company					
At 31 December 2018					
Borrowings	**1,424,381**	**1,456,170**	**1,056,035**	**250,361**	**4,186,947**
Trade and other payables	**74,684**	**-**	**-**	**-**	**74,684**
Guarantees	**604,240**	**-**	**-**	**-**	**604,240**
	2,103,305	**1,456,170**	**1,056,035**	**250,361**	**4,865,871**
At 31 December 2017					
Borrowings	1,375,480	1,692,905	729,311	24,240	3,821,936
Trade and other payables	69,385	-	-	-	69,385
Guarantees	551,280	-	-	-	551,280
	1,996,145	1,692,905	729,311	24,240	4,442,601

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value estimation

The fair value of financial assets at fair value through OCI that are traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group and Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, unquoted shares) is determined using valuation techniques. The Group and Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long term debt. Other techniques, such as discounted cash flows, are used to determine the fair value of the remaining instruments.

The carrying amounts of loans and receivables less impairment provision are assumed to approximate their fair values. The carrying values of financial liabilities also approximate their fair values.

• Fair values hierarchy

In accordance with the amendment to IFRS 13, the Group and Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

• Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group and Company. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Group's and Company's assets measured at fair values at 31 December 2018 and 2017:

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Group – 2018				
Assets				
Financial assets at fair value through profit or loss				
- Trading securities	297,865	-	149,911	447,776
Land and buildings	-	861,526	-	861,526
Financial assets at fair value through OCI				
- Equity securities	337,618	-	11,989	349,607
- Debt securities	1,604	82,041	-	83,645
Total assets	637,087	943,567	161,900	1,742,554

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

• Fair values hierarchy (Continued)

	Level 1	Level 2	Level 3	Total
Group - 2017				
Assets	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Financial assets at fair value through profit or loss				
- Trading securities	310,311	-	152,708	463,019
Land and buildings	-	700,896	-	700,896
Financial assets at fair value through OCI				
- Equity securities	713,451	-	6,089	719,540
- Debt securities	2,025	61,694	-	63,719
Total assets	1,025,787	762,590	158,797	1,947,174
Company – 2018				
Assets				
Financial assets at fair value through OCI				
- Equity securities	**3**	**-**	**11,989**	**11,992**
Land and buildings	**-**	**8,122**	**-**	**8,122**
Total assets	**3**	**8,122**	**11,989**	**20,114**
Company – 2017				
Assets				
Financial assets at fair value through OCI				
- Equity securities	3	-	6,089	6,092
Land and buildings	-	8,381	-	8,381
Total assets	3	8,381	6,089	14,473

The Group is exposed to equity securities and debt securities price risks. If the fair value of the investments increases/ decreases by 5%, other factors remaining unchanged, the Group's profit for the year and financial assets (at fair value through profit or loss and available-for-sale investments) would increase/decrease by **Rs 44,051,400** (2017 – Rs 62,313,900).

The Group's financial assets valued at fair value through profit or loss are directly related to the fair valuation of the investee entity. The investee entity uses various valuations methods to value its underlying investment assets. Level 3 includes all investments classified as financial assets at fair value through profit or loss. The investments have been valued using the share of net asset value ("NAV") and dividend yield of the respective investee companies. At 31 December 2018, had the fair value increased/decreased by **1%** (2017- 1%), valuation would have increased/decreased by **Rs 1,499,110** (2017 – Rs 1,527,080).

The Group is exposed to equity securities and debt securities price risks as described in Note 2(a).

The Level 3 available for sale investments have been valued at cost and they approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

• Fair values hierarchy (Continued)

The following table presents the changes in Level 3 instruments for the years ended 31 December 2018 and 2017:

	Financial asset at fair value through profit or loss	Financial assets at fair value through OCI	Total
	Rs'000	Rs'000	Rs'000
Group - 2018			
Balance at 01 January 2018	**152,708**	**6,089**	**158,797**
Total gains recognised in profit or loss	**23,231**	**-**	**23,231**
Purchases	**9**	**6,000**	**6,009**
Sales/transfers	**(26,037)**	**(100)**	**(26,137)**
Balance at 31 December 2018	**149,911**	**11,989**	**161,900**
Total losses for the period included in profit or loss for assets held at the end of the reporting period	**-**	**-**	**-**
Change in unrealised gains for the period included in profit or loss for assets held at the end of the reporting period	**23,231**	**-**	**23,231**
Group - 2017			
Balance at 01 January 2017	140,963	3,999	144,962
Total gains recognised in profit or loss	23,050	-	23,050
Purchases	9	2,090	2,099
Sales	(11,314)	-	(11,314)
Balance at 31 December 2017	152,708	6,089	158,797
Total gains for the period included in profit or loss for assets held at the end of the reporting period	-	-	-
Change in unrealised gains for the period included in profit or loss for assets held at the end of the reporting period	23,050	-	23,050

	2018	2017
	Rs'000	Rs'000
Company		
Financial assets at fair value through OCI		
Balance at 01 January	**6,089**	3,999
Purchases	**6,000**	2,100
Transfer to investment in subsidiaries	**(100)**	-
Impairment	**-**	(10)
Balance at 31 December	**11,989**	6,089

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

• Financial instruments by category

	Loans and receivables	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Group -2018				
Financial assets per statement of financial position:				
Loans and receivables excluding non-financial assets	**1,181,189**	**-**	**-**	**1,181,189**
Financial assets at fair value through OCI	**-**	**-**	**433,252**	**433,252**
Financial assets at fair value through profit or loss	**-**	**447,776**	**-**	**447,776**
Cash and cash equivalents	**749,864**	**-**	**-**	**749,864**
Total	**1,931,053**	**447,776**	**433,252**	**2,812,081**
Group -2017				
Financial assets per statement of financial position:				
Loans and receivables excluding non-financial assets	978,662	-	-	978,662
Financial assets at fair value through OCI	-	-	783,259	783,259
Financial assets at fair value through profit or loss	-	463,019	-	463,019
Cash and cash equivalents	424,645	-	-	424,645
Total	1,403,307	463,019	783,259	2,649,585

All financial assets at fair value through profit or loss are designated in this category upon initial recognition since the directors have no express intention of disposing those investments within the next 12 months.

Financial liabilities for the Group are all carried at amortised cost and are as follows:

	2018	2017
	Rs'000	Rs'000
Group		
Financial liabilities per statement of financial position:		
Borrowings (excluding finance lease liabilities)	**5,203,606**	4,494,830
Finance lease liabilities	**16,744**	18,036
Trade and other payables (excluding non-financial liabilities)	**1,309,522**	899,430
Life assurance fund	**999,851**	876,821
	7,529,723	6,289,117

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

• Financial instruments by category (continued)

	Loans and receivables	Financial assets at fair value through OCI	Total
	Rs'000	**Rs'000**	**Rs'000**
Company - 2018			
Financial assets per statement of financial position:			
Financial assets at fair value through OCI	**-**	**11,992**	**11,992**
Loans and receivables excluding non-financial assets	**764,035**	**-**	**764,035**
Cash and cash equivalents	**10,853**	**-**	**10,853**
Total	**774,888**	**11,992**	**786,880**
Company - 2017			
Financial assets per statement of financial position:			
Financial assets at fair value through OCI	-	6,092	6,092
Loans and receivables excluding non-financial assets	740,107	-	740,107
Cash and cash equivalents	10,802	-	10,802
Total	750,909	6,092	757,001

Financial liabilities for the Company are all carried at amortised cost and are as follows:

	2018	2017
	Rs'000	**Rs'000**
Company		
Financial liabilities per statement of financial position:		
Borrowings (excluding finance lease liabilities)	**3,712,899**	3,464,849
Finance lease liabilities	**10,777**	8,473
Trade and other payables (excluding non-financial liabilities)	**74,684**	69,385
	3,798,360	3,542,707

(e) Capital risk management

The subsidiary's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings') as shown in the statement of financial position less cash and cash equivalents. The Group regards 'equity' as shown in the statement of financial position as being capital. Total capital is calculated as capital plus net debt.

The Board of Directors assesses the impact of each significant new investment on the gearing of the Group and Company as part of the investment appraisal process. The gearing ratios at 31 December 2018 and 2017 were as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Net debt	**4,470,486**	4,088,221	**3,712,823**	3,462,520
Capital	**1,373,441**	1,616,447	**1,338,537**	1,033,277
Total capital	**5,843,927**	5,704,668	**5,051,360**	4,495,797
Gearing ratio	**76.50%**	71.70%	**73.50%**	77.02%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial risk arising in the Life Assurance Business subsidiary (the "LABS")

The following relate to the LABS which is the subsidiary that operates a life assurance business.

The LABS exposes the Group to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term, its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the LABS and the Group face are primarily interest rate risk and equity price risk.

The LABS manages financial risks via its Investment Committee which is mandated to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The principal technique of the Investment Committee is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The LABS has not changed the processes used to manage its risks from previous periods.

Fixed and guaranteed insurance contracts

Insurance contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at the inception of the contract. The financial component of these benefits is usually a guaranteed fixed interest rate (for the insurance contracts, this rate may apply to maturity and/or death benefits) and hence the LABS's primary financial risk on these contracts is the risk that interest income and capital redemptions from the financial assets backing the liabilities is insufficient to fund the guaranteed benefits payable.

Liquidity risk

Liquidity risk is the risk that the LABS is unable to meet its obligations when they fall due as a result of policyholder benefit payments, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the LABS will be unable to do so is inherent in all insurance operations and can be affected by a range of institution-specific and marketwise events including, but not limited to, credit events, systemic shocks and natural disasters.

The LABS is exposed to daily calls on its available cash resources with regard to claims and maintains a certain level of cash resources in the bank to service the daily claims. Investments are also made in certain liquid investments such as Government Treasury bills and investments in equity shares that are traded in active markets and can be readily disposed of. The Company has also made arrangements in its reinsurance programme to cater for large claims whereby its reinsurers will pay their share of these losses within a short period of time through cash calls.

Mismatch risk

All insurance liabilities are asset backed. Mismatch risk arises when the nature, term and currency of backing assets are different from the nature, term and currency of liabilities. Nature of liabilities refers to whether they are fixed, indexed or variable (DPF) at the LABS's discretion.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial risk arising in the Life Assurance Business subsidiary (the "LABS") (Continued)

Mismatch risk (Continued)

The following tables indicate the estimated amount and timing of cash flows arising from the insurance liabilities and the extent of duration-matching for these contacts. They summarise the LABS's exposure to interest rate risk for these assets and liabilities. When debt securities mature, the proceeds not needed to meet the liability cash flows will be re-invested in floating rate securities. The reinvestment of these net positive proceeds in the earlier years will fund the negative cash flows displayed in the table below for the later years.

At 31 December 2018		**Estimated cash flows (undiscounted)**			
	Carrying amount	**0 – 5 yrs**	**5 – 10 yrs**	**10 – 15 yrs**	**> 15 years**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Liabilities					
Life insurance – life	**1,033,376**	**633,325**	**424,853**	**340,992**	**627,402**
Outstanding claims	**6,786**	**6,786**	**-**	**-**	**-**
Trade and other payables	**55,112**	**55,112**	**-**	**-**	**-**
Retirement benefit obligations	**7,253**	**7,253**			
Total	**1,102,527**	**702,476**	**424,853**	**340,992**	**627,402**

At 31 December 2017		Estimated cash flows (undiscounted)			
	Carrying amount	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	> 15 years
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Liabilities					
Life insurance – life	877,557	494,954	361,702	317,897	626,001
Outstanding claims	6,774	6,774	-	-	-
Trade and other payables	40,071	40,071	-	-	-
Total	924,402	541,799	361,702	317,897	626,001

The liability period analysis does not agree with the total carrying amount due to the fact that the period analysis is undiscounted whilst the total carrying amount is discounted.

The LABS intends to manage the net cash outflows position arising from Year 5 onwards as follows:

• Available for sale investments would be reinvested in similar instruments at maturity;

• The value of investment portfolio classified as "financial assets at fair value through profit or loss" is expected to increase in the future as the LABS realises the fair value gain upon sale of investments and proceeds are reinvested in similar instruments;

• Amount of loans disbursed is expected to increase and hence, the interest income generated from these loans would increase.

Minimum capital requirements

The LABS has to comply with capital requirements as set out by the Financial Services Commission for insurance companies. The law requires that an insurance company manages its capital on a basis at least 100% of its minimum capital requirement ("MCR"). The MCR for the LABS stands at **111.7%** for the year ended 2018 (2017:104.2%).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

3 MANAGEMENT OF INSURANCE RISK

Long term insurance contracts

Insurance risk relates to the LABS.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the LABS faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The LABS has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

(a) Frequency and severity of claims

Insurance risk for contracts disclosed in this note is also affected by the contract holders' right to pay reduced or no future premiums, to terminate the contract completely, or to exercise a guaranteed annuity option. As a result, the amount of insurance risk is also subject to contract holder behaviour. On the assumption that contract holders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. For example, it is likely that contract holders whose health has deteriorated significantly will be less inclined to terminate contracts insuring death benefits than those contract holders remaining in good health. This results in an increasing trend of expected mortality, as the portfolio of insurance contracts reduces due to voluntary terminations.

The LABS has factored the impact of contract holders behaviour into the assumptions used to measure these liabilities associated with long-term insurance contracts.

(b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holder behaviour.

The LABS uses appropriate base tables of standard mortality according to the type of contract being written and the territory in which the insured person resides. An investigation into the actual experience of the LABS over the last three years is carried out, and statistical methods are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. Where this is not the case, the best estimate of future mortality is based on standard industry tables adjusted for the LABS overall experience. For contracts that insure survival, an adjustment is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies. The impact of any historical evidence of selective termination behaviour will be reflected in this experience. The LABS maintains voluntary termination statistics to investigate the deviation of actual termination experience against assumptions. Statistical methods are used to determine appropriate termination rates. An allowance is then made for any trends in the data to arrive at a best estimate of future termination rates.

The LABS currently monitors default premiums by sending default notices to clients requesting for payment on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

3 MANAGEMENT OF INSURANCE RISK (CONTINUED)

Long-term insurance contracts (Continued)

(b) Sources of uncertainty in the estimation of future benefit payments and premium receipts (Continued)

The LABS's actuary determines the position of the life fund yearly and then declares bonus accordingly. Cost of all new products is determined by the actuary after thorough consideration of the mortality tables as per actuarial guides.

(c) Process used to decide on assumptions

Assumptions used to work out future liabilities under long-term insurance contracts are estimated by the LABS and its actuaries. Firstly, best estimate assumptions are worked out based on past experience and expectations of future developments. These are then adjusted with prescribed margins, as per the FSC solvency rules and actuarial guidance notes.

• Mortality

Estimates are made as to the expected number of deaths for each of the years in which the LABS is exposed to risk. These estimates are based on South African mortality tables (in the absence of local ones), adjusted where appropriate (e.g. for AIDS) to reflect the local experience. For contracts that insure the risk of longevity, prudent allowance is made for expected mortality improvements. Prescribed and additional margins are built into these estimates to allow for future uncertainty.

• Morbidity

Given the low financial significance of morbidity on the LABS and its predictability, morbidity tables are not used to model morbidity claims. A simpler approach used by the actuaries is to compare morbidity premiums against morbidity claims and work out any inadequacy in the premiums charged. For the last three years, this exercise has shown that the premiums are enough to cover expected claims. Any major change to morbidity experience in the industry will however be modeled differently.

• Expenses

Expenses are estimated on a going concern basis. Per policy, expenses are split between acquisition and renewal expenses. Expenses incurred for the benefit of policies to be sold in the future are amortised over the relevant future period. Provision is made for the impact of future business volumes and inflation on expenses.

• Investment Income

Future investment return is estimated for each asset class and split between income return and capital gains. The starting point for this estimate is the risk free rate of return (government bonds), reflecting expectations of future economic and financial developments. The risk premium corresponding to the different asset types is then added based on the various risk profiles, asset term, capital growth and comparable yielding investments.

• Inflation

Investment income and inflation assumption are inter-twined. The gap between risk free returns and inflation over the last 20 years is worked out and projected into the future.

• Persistency

Policy lapse/surrenders are estimated from historical company and industry available data. These are adjusted to reflect changes in the legal, tax and business environment (e.g. removal of tax incentives or inability to surrender pension plans).

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long term changes in overall levels of mortality and the variability in contract holder's behaviour.

The LABS uses appropriate base tables of standard mortality according to the type of contract being written and the territory in which the insured person resides. An investigation into the actual experience of the LABS is carried out and statistical methods are used to compare the fit of the mortality tables with the actual claims experience. Adjustments to the selected standard mortality table are then worked out to optimise the fit of the mortality model.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

3 MANAGEMENT OF INSURANCE RISK (CONTINUED)

Long-term insurance contracts (Continued)

(c) Process used to decide on assumptions (Continued)

• Uncertainty in premium income

The LABS's actuary builds in provision for non-receipts of future premiums (arising from deaths, withdrawals, surrenders, defaults, etc.) due in his valuation basis. This basis is used to determine the position of the life fund every year. Further, cost of all new products is determined by the actuary after thorough consideration of the key assumptions.

• Uncertainty in payment of benefits

Uncertainty in benefit payments arises from changes in underlying mortality trends (e.g. mortality improvement, increasing life expectancies) and the economic environment.

The actuary builds in margins in his valuation assumptions that reflect mortality improvements/deterioration, as warranted by the particular policy being valued. For example, for endowment plans, higher deaths than expected will be a source of uncertainty in benefit payouts while for annuities; uncertainty arises from higher life expectancy.

Bonus rates are used to reduce uncertainty in payouts due to changes in the economic environment. Bonus rates are not guaranteed and are reviewed in line with current and future market prospects.

(d) Sensitivity analysis

At 31 December 2018, the actuarial liability in respect of the business issued by the LABS amounted to **1,033,376,000** (2017: Rs 867,680,000) as assessed by the LABS's actuary.

The following table presents the sensitivity of the value of insurance liabilities to movements in the assumptions used in the estimation of insurance liabilities.

Assumptions	Change in variable	Change in liability 2018 Rs'000	Change in liability 2017 Rs'000
Worsening of mortality	+ 5% p.a.	**(218)**	417
Drop in interest rate on investments	- 2% p.a.	**153,752**	135,961
Worsening of renewal expense rate	+ 10% p.a.	**7,847**	6,671
Worsening of lapse rate	+ 10% p.a.	**(8,083)**	(7,504)

The LABS's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The LABS's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the LABS.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

4 REVENUE

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Sale of services	**4,274,110**	4,106,738	**7,730**	8,734
Sale of goods	**544,869**	318,199	**-**	-
Rental income	**40,893**	38,161	**-**	-
Hire purchase debtors collection fees and surcharges	**4,854**	7,075	**-**	-
	4,864,726	4,470,173	**7,730**	8,734

5 OTHER OPERATING INCOME – NET

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Other operating income:				
Dividend income	**10,091**	1,902	**732,161**	638,152
Net fair value gains on investment properties (Note 11)	**48,868**	4,867	**2,689**	1,488
Management fee income	**6,400**	6,757	**55,715**	54,397
Rental income	**2,014**	3,268	**7,040**	6,084
Other fee income	**8,284**	6,813	**11,558**	6,131
Gains on disposal of available for sale investments	**-**	238,696	**-**	-
Profit on disposal of property, plant and equipment	**4,792**	7,728	**456**	946
Net foreign exchange gain – non-financing activities	**2,909**	9,150	**-**	-
Other operating income	**40,305**	27,712	**-**	-
Income from life assurance business	**413,673**	330,691	**-**	-
	537,336	637,584	**809,619**	707,198
Other operating expenses:				
Management fee expense	**(1,953)**	(4,273)	**(8,352)**	(9,664)
Rental expense	**(10,439)**	(2,963)	**(5,954)**	(394)
Other fee expenses	**-**	-	**(544)**	-
Net foreign exchange loss – non-financing activities	**-**	-	**-**	-
Other operating expenses	**-**	-	**-**	-
Total expenses of life assurance business	**(290,643)**	(286,064)	**-**	-
Transferred to life assurance fund (Note 23)	**(123,030)**	(44,627)	**-**	-
	(426,065)	(337,927)	**(14,850)**	(10,058)
Other operating income – net	**111,271**	299,657	**794,769**	697,140

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

6 OPERATING PROFIT

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
The following items have been charged/(credited) in arriving at operating profit:				
Profit on disposal of property, plant and equipment	**(4,792)**	(7,728)	**(456)**	(946)
Depreciation on property, plant and equipment:				
- owned assets	**642,973**	782,794	**4,964**	3,948
- leased assets	**7,777**	7,498	**4,107**	3,225
Cost of inventories expensed	**406,587**	284,033	**-**	-
Staff costs (Note 7)	**886,960**	852,942	**154,216**	134,886
Fees paid to auditors:				
- audit services	**7,594**	7,595	**1,340**	1,303
- tax and advisory services	**3,706**	1,981	**2,741**	44
Amortisation of intangible assets (Note 12)	**79,408**	80,258	**1,994**	2,023
Operating lease rentals	**97,571**	95,084	**-**	-
Provision for impairment of doubtful debts (Note 17)	**29,579**	37,851	**-**	-
Impairment reversal on investment in subsidiaries	**-**	-	**(11,398)**	-
Impairment charge on loans and receivables from subsidiaries	**-**	-	**614**	9,772
Repairs and maintenance costs	**94,310**	128,950	**4,272**	3,676
Write-offs of property, plant and equipment (Note 10)	**4,950**	26,557	**-**	-
Donations	**1,173**	1,337	**1,118**	1,337

7 STAFF COSTS

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Wages and salaries	**576,487**	546,412	**72,866**	65,961
Social security costs	**21,450**	22,279	**2,066**	1,898
Pensions cost - defined benefit plans (Note 25)	**68,620**	67,569	**35,661**	33,413
Pensions cost - defined contribution	**38,149**	75,506	**13,700**	14,086
Other short-term benefits	**182,254**	141,176	**29,923**	19,528
	886,960	852,942	**154,216**	134,886

	Number	Number	Number	Number
Number of employees at year end : Full time	**1,092**	1,133	**76**	73
Part-time	**-**	2	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

8 FINANCE COSTS – NET

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Finance costs:				
Interest expense on:				
Bank overdrafts	**10,862**	11,034	**5,289**	5,911
Bank borrowings	**227,702**	240,271	**174,466**	187,404
Loans from subsidiaries (Note 35)	**-**	-	**178**	97
Loans from related parties (Note 35)	**12,676**	11,879	**11,674**	11,415
Shareholder's loan (Note 35)	**19,672**	15,665	**19,607**	15,600
Loan from directors (Note 35)	**3,296**	2,878	**3,296**	2,878
Import loans	**4,584**	3,709	**-**	-
Finance lease charges	**1,395**	1,594	**824**	672
Bank charges	**6,024**	3,694	**408**	345
Unwinding of asset retirement obligations	**8,175**	2,449	**-**	-
Foreign exchange loss arising on financing activities	**179**	8,770	**-**	8,769
Others	**2,886**	3,194	**298**	119
	297,451	305,137	**216,040**	233,210
Finance income:				
Interest income on:				
Short-term bank deposits	**(105)**	(263)	**-**	-
Hire purchase income	**(3,944)**	(4,563)	**-**	-
Loans to shareholders (Note 35)	**(20,057)**	(21,508)	**(20,057)**	(21,508)
Loans to subsidiaries (Note 35)	**-**	-	**(952)**	(1,120)
Loans to related parties (Note 35)	**-**	(10)	**-**	-
Others	**(268)**	(17)	**-**	-
Foreign exchange gain arising on financing activities	**(18,705)**	(22,012)	**(4,519)**	-
	(43,079)	(48,373)	**(25,528)**	(22,628)
Finance costs – net	**254,372**	256,764	**190,512**	210,582

9 INCOME TAX EXPENSE

The Group is liable to income tax on its profits, as adjusted for income tax purposes at the average tax rate of 17% (2017 – 17%), of which 2% relates to Corporate Social Responsibility Fund. At 31 December 2018, the Group and Company had accumulated tax losses of **Rs 588,370,000** (2017 – Rs 175,213,000) and **Rs 296,717,480** (2017 – Rs 80,708,000), respectively.

Solidarity levy is calculated at the rate of 5 per cent of the "book profit" of Emtel Ltd and 1.5 per cent of its turnover and is payable in the following year.

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Charge for the year				
Based on the profit for the year, as adjusted for tax purposes	**189,699**	171,278	**-**	-
(Over)/Under provision in previous year	**7,985**	(1,378)	**-**	-
Solidarity levy	**29,812**	17,975	**-**	-
Deferred income tax charge (Note 19)	**(19,724)**	(33,732)	**-**	-
	207,772	154,143	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

9 INCOME TAX EXPENSE (CONTINUED)

A reconciliation between the actual income tax charge and the theoretical amount that would arise using the applicable income tax rate for the Group and Company follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before taxation	**628,406**	594,006	**399,657**	248,846
Tax calculated at domestic tax rates applicable to profits in respective countries	**171,739**	204,969	**71,442**	42,304
Impact of:				
Dividend income	**-**	(79,398)	**(124,467)**	(79,398)
Other exempt income	**(6,783)**	(30,711)	**(12,524)**	-
Non-allowable expenses and impairment charge	**32,771**	43,412	**50,556**	34,617
Investment allowances	**(15,365)**	56,767	**-**	-
Share of profits of associates	**(9,504)**	(9,465)	**-**	-
Under provision of income tax in previous year	**(17)**	42		73
Unrecognised deferred tax written off during the year	**-**	-	**21,007**	-
Deferred income tax not provided in current year	**830**	3,321	**(6,000)**	2,404
Deemed foreign tax credit applicable to certain subsidiaries	**(1,184)**	(212)	**-**	-
Solidarity levy	**29,812**	17,975	**-**	-
Other permanent differences	**5,473**	(52,557)	**(14)**	-
Actual income tax charge	**207,772**	154,143	**-**	-

(a) Current income tax liability

	2018	2017
	Rs'000	Rs'000
At 01 January	**107,220**	132,775
Charge for the year	**227,496**	187,875
Paid during the year	**(231,694)**	(214,396)
Transfer	**-**	966
At 31 December	**103,022**	107,220

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

9 INCOME TAX EXPENSE (CONTINUED)

(c) Expiry dates of tax losses

The tax losses are available for set-off against future taxable profits as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Up to year ending:				
31 December 2018	**58,622**	9,475	**-**	-
31 December 2019	**72,402**	31,947	**-**	-
31 December 2020	**46,121**	23,997		56
31 December 2021	**63,137**	50,671		25,546
31 December 2022	**140,688**	35,879	**100,973**	31,862
31 December 2023	**129,154**	-	**117,498**	
Indefinite	**78,246**	23,244	**78,246**	23,244
	588,370	175,213	**296,717**	80,708

(d) Tax on other comprehensive income

	Before tax	Tax credit	After tax
Group – 2018	**Rs'000**	**Rs'000**	**Rs'000**
Fair value loss on financial assets at fair value through OCI	**(335,165)**	**-**	**(335,165)**
Revaluation of property, plant and equipment	**9,665**	**(1,633)**	**8,032**
Remeasurement of post-employment benefit	**57,539**	**(3,329)**	**54,210**
Currency translation difference	**10,310**	**-**	**10,310**
Group share of other comprehensive income in associates	**24,403**	**-**	**24,403**
Other comprehensive income	**(233,248)**	**(4,962)**	**(238,210)**
Current tax		**-**	
Deferred tax (Note 19(ii))		**(4,962)**	
		(4,962)	
Group – 2017			
Fair value gain on financial assets at fair value through OCI	438,565	-	438,565
Revaluation of property, plant and equipment	11,220	(1,890)	9,330
Remeasurement of post-employment benefit	(113,464)	3,320	(110,144)
Currency translation difference	(34,856)	-	(34,856)
Disposal of available for sale financial assets	(204,702)	-	(204,702)
Group share of other comprehensive income in associates	(23,325)	-	(23,325)
Other comprehensive income	73,428	1,430	74,868
Current tax		-	
Deferred tax (Note 19(ii))		1,430	
		1,430	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and buildings	Plant, equipment, and other assets	Motor vehicles	Furniture and fittings	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2018						
At Cost	-	5,852,115	121,620	269,181	281,472	6,524,388
At valuation	799,986	-	-	-	-	799,986
	799,986	5,852,115	121,620	269,181	281,472	7,324,374
Accumulated depreciation	(99,090)	(4,027,266)	(80,629)	(206,638)	-	(4,413,623)
Net book amount	700,896	1,824,849	40,991	62,543	281,472	2,910,751
Year ended 31 December 2018						
Additions	9,356	663,551	10,070	30,973	597,928	1,311,878
Disposal of subsidiary	-	(15)	(907)	(41)	-	(963)
Disposals	(93)	(17,075)	(3,181)	(558)	-	(20,907)
Revaluation	9,665	-	-	-	-	9,665
Revaluation recognised in life assurance fund	1,101					1,101
Transfer to asset held for sale (Note 21)	-	(2,451)	-	(366)	-	(2,817)
Transfer from investment properties (Note 11)	155,869	-	-	-	-	155,869
Transfer from/(to) intangible assets (Note 12)	-	147	-	-	(276)	(129)
Transfers	-	80,376	263	1,153	(81,792)	-
Write-offs	-	(4,066)	-	(418)	(466)	(4,950)
Charge for the year	(15,268)	(599,540)	(18,145)	(17,797)	-	(650,750)
Closing net book amount	861,526	1,945,776	29,091	75,489	796,866	3,708,748
At 31 December 2018						
At cost	-	6,471,284	105,016	267,116	796,866	7,640,282
At valuation	975,240	-	-	-	-	975,240
	975,240	6,471,284	105,016	267,116	796,866	8,615,522
Accumulated depreciation	(113,714)	(4,525,508)	(75,925)	(191,627)	-	(4,906,774)
Net book amount	861,526	1,945,776	29,091	75,489	796,866	3,708,748

The revaluation surplus net of applicable deferred income taxes was credited to revaluation reserves.

No property, plant and equipment is pledged as security for borrowings. For security on borrowings, see note 24.

The write-offs under asset in progress relate to assets which will not be available for use in the future due to obsolescence.

Asset in progress consists of project cost capitalised relating to hotel construction in the books of Le Chaland Hotel Limited and technical equipment acquired by Emtel Limited which was not available for use at 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

	Freehold land and buildings	Plant, equipment, and other assets	Motor vehicles	Furniture and fittings	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January 2017						
At Cost	-	5,703,256	149,939	249,382	248,714	6,351,291
At valuation	754,007	-	-	-	-	754,007
	754,007	5,703,256	149,939	249,382	248,714	7,105,298
Accumulated depreciation	(88,502)	(3,485,023)	(94,847)	(190,191)	-	(3,858,563)
Net book amount	665,505	2,218,233	55,092	59,191	248,714	3,246,735
Year ended 31 December 2017						
Additions	2,965	319,053	8,704	23,650	89,194	443,566
Acquisition of subsidiary	-	940	-	181	-	1,121
Disposals	-	(4,869)	(2,428)	(946)	-	(8,243)
Revaluation	11,220	-	-	-	-	11,220
Revaluation recognised in life assurance fund	12,040					12,040
Transfer from investment properties (Note 11)	21,112	-	-	49	-	21,161
Transfers	-	32,709	-	1,553	(34,262)	-
Write-offs	(1,141)	(3,157)	-	(85)	(22,174)	(26,557)
Charge for the year	(10,805)	(738,060)	(20,377)	(21,050)	-	(790,292)
Closing net book amount	700,896	1,824,849	40,991	62,543	281,472	2,910,751
At 31 December 2017						
At cost	-	5,852,115	121,620	269,181	281,472	6,524,388
At valuation	799,986	-	-	-	-	799,986
	799,986	5,852,115	121,620	269,181	281,472	7,324,374
Accumulated depreciation	(99,090)	(4,027,266)	(80,629)	(206,638)	-	(4,413,623)
Net book amount	700,896	1,824,849	40,991	62,543	281,472	2,910,751

The revaluation surplus net of applicable deferred income taxes was credited to revaluation reserves.

No property, plant and equipment is pledged as security for borrowings. For security on borrowings, see note 24.

The write-offs under asset in progress relate to assets which will not be available for use in the future due to obsolescence.

Asset in progress consists of project cost capitalised relating to hotel construction in the books of Le Chaland Hotel Limited and technical equipment acquired by Emtel Limited which was not available for use at 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company

	Freehold land and buildings	Plant, equipment, and other assets	Motor vehicles	Furniture and fittings	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 01 January 2017					
At Cost	-	19,614	33,530	21,478	74,622
At valuation	8,278	-	-	-	8,278
	8,278	19,614	33,530	21,478	82,900
Accumulated depreciation	-	(14,116)	(24,576)	(15,939)	(54,631)
Net book amount	8,278	5,498	8,954	5,539	28,269
Year ended 31 December 2017					
Additions	-	2,662	2,513	7,091	12,266
Disposals	-	(8)	-	-	(8)
Revaluation	103	-	-	-	103
Charge for the year	-	(2,883)	(3,225)	(1,065)	(7,173)
Closing net book amount	8,381	5,269	8,242	11,565	33,457
At 31 December 2017					
At Cost	-	19,248	28,610	28,570	76,428
At valuation	8,782	-	-	-	8,782
	8,782	19,248	28,610	28,570	85,210
Accumulated depreciation	(401)	(13,980)	(20,368)	(17,004)	(51,753)
Net book amount	8,381	5,268	8,242	11,566	33,457
Year ended 31 December 2018					
Additions	**-**	**27,693**	**8,136**	**12,410**	**48,239**
Disposals	**-**	**(723)**	**(1,277)**	**(143)**	**(2,143)**
Revaluation	**59**	**-**	**-**	**-**	**59**
Transfers	**(318)**	**4,114**	**-**	**(3,796)**	**-**
Charge for the year	**-**	**(4,028)**	**(4,107)**	**(936)**	**(9,071)**
Closing net book amount	**8,122**	**32,324**	**10,994**	**19,101**	**70,541**
At 31 December 2018					
At Cost	**-**	**52,457**	**24,644**	**28,110**	**105,211**
At valuation	**8,523**	**-**	**-**	**-**	**8,523**
	8,523	**52,457**	**24,644**	**28,110**	**113,734**
Accumulated depreciation	**(401)**	**(20,133)**	**(13,650)**	**(9,009)**	**(43,193)**
Net book amount	**8,122**	**32,324**	**10,994**	**19,101**	**70,541**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

If land and buildings were stated on historical cost basis, the amounts would be as follows:

	Group 2018 Rs'000	Group 2017 Rs'000	Company 2018 Rs'000	Company 2017 Rs'000
Cost	**466,193**	464,546	**5,181**	5,181
Accumulated depreciation	**(108,539)**	(98,351)	**(400)**	(400)
Net book value	**357,654**	366,195	**4,781**	4,781

Net book value of property, plant and equipment held under finance leases:

	Plant, equipment and other assets Rs'000	Motor vehicles Rs'000	Total Rs'000
Group			
At 31 December 2018	**-**	**17,346**	**17,346**
At 31 December 2017	14,895	16,293	31,188
Company			
At 31 December 2018	**-**	**10,993**	**10,993**
At 31 December 2017	-	8,242	8,242

Fair values of land and buildings

The Group's land and buildings were revalued, based on fair value model, on 31 December 2018 by the directors and by an independent valuer, Noor Dilmohamed & Associates, Fellow of the Australian Property Institute. The valuation was arrived at taking into consideration recent sale for comparable properties in the region and with reference to open market values.

The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and is shown in revaluation reserves' in shareholders' equity.

2018 Recurring fair value measurements	Significant other observable inputs (Level 2)	
	Group Rs'000	Company Rs'000
Land	**106,502**	**4,239**
Buildings	**755,024**	**3,883**

2017 Recurring fair value measurements	Significant other observable inputs (Level 2)	
	Group Rs'000	Company Rs'000
Land	105,223	4,180
Buildings	595,673	4,201

Level 2 fair values of land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

11 INVESTMENT PROPERTIES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	**2,264,484**	2,182,795	**205,483**	202,236
Additions	**59,546**	103,894	**10,156**	1,759
Disposal	**(8,159)**	(1,465)	**-**	-
Transfer to property, plant & equipment (Note 10)	**(155,869)**	(21,161)	**-**	-
Fair value gains recognised in income statement (Note 5)	**48,868**	4,867	**2,689**	1,488
Fair value gains/(loss) recognised in the income statement of Life Assurance Business	**1,152**	(3,551)	**-**	-
Impairment	**(40,339)**			
Transfer to Assets held for sale (Note 21)	**-**	(895)	**-**	-
At 31 December	**2,169,683**	2,264,484	**218,328**	205,483

The land and buildings are valued annually on 31 December by independent qualified valuers. The latest independent valuation was performed on 31 December 2018 by Noor Dilmohamed & Associates based on fair value model, taking into consideration recent sale for comparable properties in the region. Noor Dilmohamed & Associates hold recognised and relevant professional qualifications and has recent experience in the locations of properties valued.

	Significant other observable inputs (Level 2)			
Recurring fair value measurements	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Land	**1,664,755**	1,660,710	**167,287**	165,196
Buildings	**504,928**	603,774	**51,041**	40,287

The fair values of land and buildings have been derived from observable sales prices of comparable land and buildings in close proximity and are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

Investment properties value as at 31 December 2018 included project costs incurred by a subsidiary in prior years amounting to Rs 76,734,347 which were for the real estate development project. Due to delays in the start of the project, the project costs capitalised were reviewed at the end of the current year and management has carried out an impairment assessment. Based on fair value less costs to sell computation, an impairment of **Rs 40,338,900** was deemed appropriate and recognised for the year ended 31 December 2018.

Rental income and operating expenses from investment properties were as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	**59,933**	56,280	**7,369**	6,085
Direct operating expenses arising from investment properties that generated rental income	**16,173**	11,411	**274**	172
Direct operating expenses from investment properties that did not generate rental income	**18,690**	26,873	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

12 INTANGIBLE ASSETS

Group	Patent rights and licences Rs'000	Computer software Rs'000	Indefeasible rights of use Rs'000	Total Rs'000
Cost:				
At 1 January 2017	90,699	114,161	525,553	730,413
Additions	3,601	7,527	134,500	145,628
Acquisition of subsidiary	-	970	-	970
Write-offs	-	(1,505)	-	(1,505)
At 31 December 2017	94,300	121,153	660,053	875,506
Additions	**20,745**	**8,471**	**192**	**29,408**
Disposal of subsidiary	**-**	**(312)**	**-**	**(312)**
Transfer from property, plant and equipment	**-**	**129**	**-**	**129**
Transfer to asset held for sale (Note 21)	**-**	**(14,317)**	**-**	**(14,317)**
Adjustment	**-**	**2,279**	**(2,279)**	**-**
Write-offs	**(33,510)**	**(2,132)**	**(40)**	**(35,682)**
At 31 December 2018	**81,535**	**115,271**	**657,926**	**854,732**
Amortisation:				
At 1 January 2017	61,916	91,551	128,209	281,676
Amortisation for the year	23,628	11,430	45,200	80,258
Acquisition of subsidiary	-	892		892
Write-offs	-	(1,490)	-	(1,490)
At 31 December 2017	85,544	102,383	173,409	361,336
Amortisation for the year	**4,587**	**11,616**	**63,205**	**79,408**
Transfer to asset held for sale (Note 21)	**-**	**(13,764)**	**-**	**(13,764)**
Disposal of subsidiary	**-**	**(312)**	**-**	**(312)**
Write-offs	**(33,498)**	**(2,132)**	**(4)**	**(35,634)**
At 31 December 2018	**56,633**	**97,791**	**236,610**	**391,034**
Net book value:				
At 31 December 2018	**24,902**	**17,480**	**421,316**	**463,698**
At 31 December 2017	8,756	18,770	486,644	514,170

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

12 INTANGIBLE ASSETS (CONTINUED)

Company	**Rs'000**
Cost:	
At 01 January 2017	19,261
Additions	2,578
Write-offs	(1,490)
At 31 December 2017	20,349
Additions	**4,499**
At 31 December 2018	**24,848**
Accumulated amortisation:	
At 01 January 2017	15,797
Amortisation for the year	2,023
Write-offs	(1,490)
At 31 December 2017	16,330
Amortisation for the year	**1,994**
At 31 December 2018	**18,324**
At 31 December 2018	**6,524**
At 31 December 2017	4,019

The intangible asset above relates to computer software. The amortisation charge for the year is included in profit or loss within the 'administrative expenses' line.

13 INVESTMENTS IN SUBSIDIARIES

	2018 Rs'000	**2017** Rs'000
Company		
Cost:		
At 01 January	**4,434,436**	4,599,281
Additional equity injections into existing subsidiaries	**469,618**	66,000
Transfer from financial assets at fair value through OCI	**100**	-
Acquisition of new subsidiary	**-**	54,000
Disposals	**(58,719)**	(284,845)
At 31 December	**4,845,435**	4,434,436
Impairment charge		
At 01 January	**432,665**	433,329
Charge for the year	**76,602**	-
Write-back for the year	**(88,000)**	(664)
At 31 December	**421,267**	432,665
Net book amount:		
At 31 December	**4,424,168**	4,001,771

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

At 31 December 2018, the directors have reviewed the carrying amounts of investments in subsidiaries. An impairment loss is recognised for the amount by which the investments' carrying amount exceeds its recoverable amount. Recoverable amount is the higher of the fair value less cost to sell or value in use determined for each individual subsidiary.

Fair value less cost to sell

Fair value less cost to sell is the amount obtainable from sale in an arm's length transactions between knowledgeable willing parties, less cost to sell. On this basis, an impairment loss of **Rs 76,602,338** (2017 – Rs Nil) was recognised during the year mainly in relation to Batimex Ltd (Rs 40 M) and Plaisance Aeroville Ltd (Rs 20.6 M)

For Batimex Ltd, the fair value less cost to sell calculations use post-tax cash flow projections based on financial forecast approved by the directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates stated below.

The key assumptions used for the fair value less cost to sell in the year 2018 and 2017 for Batimex Ltd were as follows:

Gross margin – **39% - 41%** (2017 – 38%-41%)

Terminal Growth rate – **3%** (2017 – 2.5%)

Discount rate – **13.3%** (2017 – 13.3%)

For Plaisance Aeroville Ltd, the investment in the holding Company exceeded the net assets of the subsidiary and the excess amount was impaired.

Details of the Group's direct subsidiary companies, which principal place of business and incorporation is Mauritius, are:

Name	Description of shares held	% holding 2018	% holding 2017	Principal activity
AMC Limited	Ordinary	**-**	100.00	Sale of high quality kitchenware
Atoll Investments Limited	Ordinary	**100.00**	100.00	Investment holding
Batimex Ltd	Ordinary	**100.00**	100.00	Trading in building materials and sanitary products
Ceejay Telenet Limited	Ordinary	**-**	75.00	Investment holding
CH Management Ltd	Ordinary	**100.00**	100.00	Professional and Management Consultancy Services
Cheribinny Ltd	Ordinary	**100.00**	100.00	Credit finance
CJ Investments Ltd	Ordinary	**100.00**	100.00	Dormant
Compagnie Immobilière Limitée	Ordinary	**66.81**	66.81	Renting of property
Currimjee Informatics Limited	Ordinary	**100.00**	100.00	Supply and installation of computer hardware and software
Currimjee Property Management & Development Ltd	Ordinary	**100.00**	100.00	Property development and management
Currimjee Secretaries Limited	Ordinary	**100.00**	-	Management and secretarial services
EM Vision Ltd	Ordinary	**90.00**	90.00	Investment holding
Emtel Limited	Ordinary	**75.00**	75.00	Cellular phone operator
E-Skills Ltd	Ordinary	**100.00**	100.00	Provider of HRD services
Island Life Assurance Co. Ltd	Ordinary	**100.00**	100.00	Long term insurance business
Le Chaland Resort Village Ltd	Ordinary	**100.00**	100.00	Land promoter and developer
Lux Appliances Ltd	Ordinary	**100.00**	100.00	Sale of vacuum cleaner
Mauritius Properties Ltd	Ordinary	**100.00**	100.00	Dormant
Multi Channel Retail Limited	Ordinary	**100.00**	100.00	Property development and management
Plaisance Aeroville Hotel Limited	Ordinary	**100.00**	100.00	Own and operate a hotel and all related facilities
Plaisance Aeroville Ltd	Ordinary	**100.00**	100.00	Land promoter and developer
Screenage Limited	Ordinary	**80.00**	80.00	Technology driven solutions and advisory services.
Seejay Cellular Limited	Ordinary	**99.00**	99.00	Investment holding
Silver Wings Travels Ltd	Ordinary	**100.00**	100.00	Travel agent and tour operator
Zac Investments Ltd	Ordinary	**50.00**	50.00	Investment in properties

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Group, indirectly, holds investments in the following subsidiaries:

Name	Principal place of business	Description of shares held	Effective % Holding 2018	Effective % Holding 2017	Principal activity
Ceejay International Ltd	Mauritius	Ordinary	**-**	60.00	Investment holding
Eight IKO Villas Ltd	Mauritius	Ordinary	**100.00**	-	Land promoter and developer
Emtel MFS Co Ltd	Mauritius	Ordinary	**75.00**	75.00	Mobile financial services
Island Investment Properties Limited	Mauritius	Ordinary	**100.00**	100.00	Investment in properties
Le Chaland Hotel Limited	Mauritius	Ordinary	**100.00**	100.00	To own and operate a hotel
MC Vision Ltd	Mauritius	Ordinary	**47.65**	47.65	Operator of Pay TV broadcasting
Multi Contact Ltd	Mauritius	Ordinary	**68.40**	68.40	Call centre and BPO services

All subsidiaries have year-end of 31st of December except for Mauritius Properties Ltd, which is 30th of June.

Summarised financial information on subsidiaries with material non-controlling interests

Summarised statement of financial position as at 31 December 2018 and 2017:

	Emtel Limited		MC Vision Ltd	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Current				
Assets	**688,671**	500,658	**431,029**	285,145
Liabilities	**(1,552,366)**	(964,533)	**(368,072)**	(275,192)
Total net current (liabilities)/assets	**(863,695)**	(463,875)	**62,957**	9,953
Non-current				
Assets	**2,599,305**	2,445,470	**269,881**	310,907
Liabilities	**(769,088)**	(821,276)	**(40,515)**	(53,233)
Total non-current net assets	**1,830,217**	1,624,194	**229,366**	257,674
Net assets	**966,522**	1,160,319	**292,323**	267,627
% ownership held by non-controlling interest at 31 December	**25%**	25%	**52.35%**	52.35%
Non-controlling interest	**241,630**	290,080	**153,031**	140,103

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Summarised income statement for the year ended 31 December 2018 and 2017:

	Emtel Limited		MC Vision Ltd	
	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
Revenue	**3,005,384**	2,740,025	**1,356,613**	1,334,050
Profit before income tax	**550,958**	318,202	**383,347**	419,905
Income tax expense	**(133,349)**	(80,442)	**(69,412)**	(71,475)
Post-tax profit from operations	**417,609**	237,760	**313,935**	348,430
Other comprehensive income	**5,074**	(7,626)	**10,760**	(8,349)
Total comprehensive income	**422,683**	230,134	**324,695**	340,081
Profit attributable to non-controlling interest	**104,402**	59,440	**164,345**	182,403
Total comprehensive income allocated to non-controlling interest	**105,671**	57,533	**169,978**	178,032
Dividend paid to non-controlling interest	**154,120**	91,080	**157,050**	130,875

Summarised statement of cash flows as at 31 December 2018 and 2017:

	Emtel Limited		MC Vision Ltd	
	2018 Rs'000	2017 Rs'000	2018 Rs'000	2017 Rs'000
Cash flows from operating activities				
Cash generated from operations	**1,260,179**	1,044,468	**529,172**	539,446
Interest (paid)/received	**(49,229)**	(50,241)	**(243)**	(1,458)
Income tax paid	**(172,008)**	(158,126)	**(102,588)**	(84,519)
Net cash generated from operating activities	**1,038,942**	836,101	**426,341**	453,469
Net cash used in investing activities	**(757,254)**	(437,173)	**(84,099)**	(72,616)
Net cash used in financing activities	**(291,480)**	(333,070)	**(188,824)**	(300,000)
Net increase in cash and cash equivalents	**(9,792)**	65,858	**153,418**	80,853
Cash and cash equivalents at beginning of year	**76,904**	6,960	**223,758**	143,185
Effect of exchange rate changes	**6,203**	4,086	**(6,276)**	(280)
Cash and cash equivalents at end of year	**73,315**	76,904	**370,900**	223,758

The Group controls MC Vision Ltd by virtue of its shareholders agreement which allows Currimjee Jeewanjee and Company Limited to nominate the Chairman of the Board who has a casting vote.

14 INVESTMENTS IN ASSOCIATES

	2018 Rs'000	2017 Rs'000
Group		
Equity accounting:		
At 01 January	**356,468**	352,955
Share of profit after tax for the year	**55,906**	55,679
Dividends paid	**(58,243)**	(28,841)
Share of loss recognised in revaluation reserves	**16,271**	(26,858)
Share of retirement benefit adjustment	**(664)**	(266)
Exchange difference	**8,796**	3,799
At 31 December	**378,534**	356,468
Company		
At 01 January and 31 December	**31,872**	31,872

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES (CONTINUED)

Set out below are the associates of the Group as at 31 December 2018, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares which are held directly by the Group; the country of incorporation is Mauritius.

Nature of investment in associates 2018 and 2017:

Name	Place of business	Description of shares held	Proportion of ownership %	Principal activity
Ceejay Gas Ltd	Mayotte	Ordinary	33.33	Investment holding and trading in liquefied petroleum gas.
Total Mauritius Limited	Mauritius	Ordinary	24.98	Import and distribution of petroleum products, lubricants and liquefied petroleum gas.

Financial information of the Group's associates, all of which are unquoted, are set out below:

Summarised statement of financial position as at 31 December 2018 and 2017:

	Total (Mauritius) Ltd		Ceejay Gas Ltd	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Current				
Cash and cash equivalents	**284,944**	238,090	**160,752**	102,276
Other current assets	**1,422,875**	1,259,759	**59,528**	50,112
Total current assets	**1,707,819**	1,497,849	**220,280**	152,388
Financial liabilities excluding trade payables	**238,277**	283,212	**18,532**	4,715
Other current liabilities including trade payables	**1,904,861**	1,686,971	**153,445**	132,734
Total current liabilities	**2,143,138**	1,970,183	**171,977**	137,449
Non-current				
Assets	**1,742,140**	1,710,521	**185,402**	209,061
Other liabilities	**103,295**	105,409	**-**	3,496
Net Assets	**1,203,526**	1,132,778	**233,705**	220,504

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised statement of comprehensive income for the year ended 31 December 2018 and 2017:

	Total (Mauritius) Ltd		Ceejay Gas Ltd	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	**8,068,773**	6,615,445	**322,193**	297,243
Cost of sales	**(7,309,388)**	(5,934,937)	**(114,827)**	(109,569)
Gross profit	**759,385**	680,508	**207,366**	187,674
Depreciation and amortisation	**(177,891)**	(167,344)	**-**	-
Other income	**84,931**	115,823	**30,678**	1,247
Interest expense	**(31,804)**	(23,245)	**(1,298)**	(464)
Other expenses	**(422,039)**	(403,871)	**(198,388)**	(147,004)
Profit before tax from continuing operations	**212,582**	201,871	**38,358**	41,453
Income tax expense	**(30,898)**	(28,094)	**(6,795)**	(4,648)
Profit after tax	**181,684**	173,777	**31,563**	36,805
Other comprehensive income	**62,478**	(108,581)	**-**	-
Total comprehensive income	**244,162**	65,196	**31,563**	36,805

Reconciliation of summarised financial information

	Total (Mauritius) Ltd	Ceejay Gas Ltd
	Rs'000	**Rs'000**
Opening net assets 01.01.17	1,167,582	183,899
Profit for the period	173,777	36,805
Exchange difference	-	11,487
Decrease in revaluation reserves	(107,517)	-
Actuarial losses	(1,064)	-
Dividend paid	(100,000)	(11,687)
Closing net assets 31.12.17	1,132,778	220,504
Profit for the period	**181,684**	**31,563**
Exchange difference	**-**	**26,387**
Increase in revaluation reserves	**65,136**	**-**
Actuarial losses	**(2,658)**	**-**
Dividend paid	**(173,414)**	**(44,749)**
Closing net assets 31.12.18	**1,203,526**	**233,705**

	Total (Mauritius) Ltd	Ceejay Gas Ltd	Total
	Rs'000	**Rs'000**	**Rs'000**
Interest in associates (24.98%, 33.33%)			
2018	**300,641**	**77,893**	**378,534**
2017	282,967	73,501	356,468

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income are carried at fair value and can be analysed as follows:

Group	2018 Rs'000	2017 Rs'000
Non-current	417,115	721,565
Current	16,137	61,694
	433,252	783,259

Group	Quoted shares Rs'000	Unquoted shares Rs'000	Overseas bonds Rs'000	Total Rs'000
At 01 January 2017	539,083	18,929	63,410	621,422
Additions	-	2,100	-	2,100
Net fair value (loss)/gain transferred to equity	438,333	-	232	438,565
Foreign currency translation adjustment	(44,490)	-	79	(44,411)
Write-offs	-	(11)	-	(11)
Transfer to debt securities (Note 17(v))	-	(14,929)	-	(14,929)
Disposal	(219,477)	-	-	(219,477)
At 31 December 2017	**713,449**	**6,089**	**63,721**	**783,259**
Additions	**-**	**6,000**	**30,370**	**36,370**
Net fair value loss transferred to equity	**(334,744)**	**-**	**(421)**	**(335,165)**
Net fair value loss transferred to life fund	**-**	**-**	**(719)**	**(719)**
Foreign currency translation adjustment	**10,658**	**-**	**-**	**10,658**
Transfer to investment in subsidiaries (Note 13)	**-**	**(100)**		**(100)**
Disposals	**(51,747)**	**-**	**(9,304)**	**(61,051)**
At 31 December 2018	**337,616**	**11,989**	**83,647**	**433,252**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The bonds and securities attract interest at rates between **1.875% and 6.8%** (2017 - 2.35% and 6.8%). These financial assets are denominated in the following currencies below:

	2018	2017
	Rs'000	Rs'000
Indian rupees	337,416	713,449
Mauritius rupees	78,580	61,414
United States dollars	17,256	5,794
Other currencies	-	2,602
	433,252	783,259

	Quoted shares	Unquoted shares	Total
	Rs'000	Rs'000	Rs'000
Company			
Cost:			
At 01 January 2017	3	7,229	7,232
Additions	-	2,100	2,100
At 31 December 2017	3	9,329	9,332
Additions	-	6,000	6,000
Transfer to investment in subsidiaries (Note 13)	-	(100)	(100)
At 31 December 2018	3	15,229	15,232
Impairment charge:			
At 01 January 2017	-	(3,240)	(3,230)
Charge for the year	-	-	-
At 31 December 2017 and 2018	-	(3,240)	(3,240)
Net book amount			
At 31 December 2018	3	11,989	11,992
At 31 December 2017	3	6,089	6,092

All the financial assets at fair value through other comprehensive income of the Company are denominated in Mauritian rupees. The directors have reviewed the carrying amounts of these financial assets at 31 December 2018 and noted no additional impairment is required.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets at fair value through other comprehensive income.

The directors assess the credit quality of each investment at a subsidiary level and ensure that appropriate procedures made to ensure credit quality.

None of these financial assets is either past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Quoted shares	Unquoted shares	Total
	Rs'000	Rs'000	Rs'000
Group			
Domestic			
At 01 January 2017	214,148	140,963	355,111
Additions	31,739	9	31,748
Disposals	(44,648)	(11,314)	(55,962)
Net fair value gains	31,847	20,030	51,877
Net profit on disposal	6,206	3,020	9,226
At 31 December 2017	**239,292**	**152,708**	**392,000**
Additions	**18,190**	**9**	**18,199**
Disposals	**(18,890)**	**(24,930)**	**(43,820)**
Net fair value gains	**5,375**	**23,231**	**28,606**
Net profit/(loss) on disposal	**684**	**(1,107)**	**(423)**
At 31 December 2018	**244,651**	**149,911**	**394,562**
Foreign			
At 01 January 2017	73,235	-	73,235
Additions	21,322	-	21,322
Disposals	(26,561)	-	(26,561)
Net fair value gains	5,243	-	5,243
Net gain on disposal	(2,220)	-	(2,220)
At 31 December 2017	**71,019**	**-**	**71,019**
Additions	**25,682**	**-**	**25,682**
Disposals	**(40,536)**	**-**	**(40,536)**
Net fair value loss	**(3,645)**	**-**	**(3,645)**
Net gain on disposal	**694**	**-**	**694**
At 31 December 2018	**53,214**	**-**	**53,214**
Total			
At 31 December 2018	**297,865**	**149,911**	**447,776**
At 31 December 2017	310,311	152,708	463,019

All financial assets at fair value through profit or loss are included in non-current assets since the directors have no express intention of disposing of those investments within the next 12 months.

Included in quoted shares is an amount of **Rs 6,470,545** (2017 - Rs 6,191,304) in respect of investments in related companies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Loans and receivables:				
Not later than one year	**810,390**	648,113	**451,557**	418,416
Later than one year	**580,646**	471,755	**337,434**	336,536
	1,391,036	1,119,868	**788,991**	754,952

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Loans				
Loans receivable arising on life assurance business (Note (i))	**153,135**	125,407	**-**	-
Loans to subsidiaries (Note 35(iii)(c))	**-**	-	**354,855**	354,855
Loan to parent (Notes (ii) and 35(iii)(a))	**337,436**	336,536	**337,436**	336,536
Loans to directors (Note 35(iii)(b))	**347**	347	**347**	347
Loans to other related parties (Notes (ii) and 35(iii)(a))	**3,306**	2,706	**6**	6
Loans to third parties	**4,526**			
	498,750	464,996	**692,644**	691,744
Trade and other receivables				
Trade receivables (Note (iii))	**278,641**	254,209	**883**	316
Hire purchase debtors (Note (iv))	**37,813**	48,233	**-**	-
Receivable from:				
Subsidiaries (Note 35(iv) (e))	**-**	-	**41,504**	32,659
Associates (Note 35(iv) (a))	**1,349**	850	**275**	271
Shareholders (Note 35(iv) (b))	**23**	1,278	**-**	1,255
Directors (Note 35(iv) (c))	**1,991**	908	**1,050**	908
Other related parties (Note 35(iv) (d))	**18,244**	26,344	**2,077**	2,021
Deposits with financial institutions (Note (vi))	**3,157**	3,039	**-**	-
Premiums receivable and agents' balances	**-**	230	**-**	-
Amount receivable from MRA *	**80,382**	80,382	**-**	-
Prepayments	**118,026**	56,010	**24,956**	14,845
Deposits	**8,282**	1,775	**-**	-
Debt securities (Note v)	**172,618**		**-**	
Other receivables	**171,760**	141,038	**25,602**	10,933
	892,286	614,296	**96,347**	63,208
	1,391,036	1,079,292	**788,991**	754,952

The loans to related parties bear interest at a rate ranging between **5.35% and 6%** (2017 – 5.35% and 7%). The carrying values of the loans to related parties approximate their fair values. The fair values are within level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

* Emtel Ltd (a subsidiary) has objected against the Income Tax re-assessment by the MRA for the year of assessment 2006/2007 and 2007/2008 (based on the year 2005 and 2006 accounts respectively). The MRA pointed out that Emtel Ltd had wrongly applied the tax rate of 15% for the years 2005 and 2006 (instead of 25% for the year 2005 and 22.5% for the year 2006) as there has been amendment to the Income Tax Act 2001. The total amount claimed inclusive of penalties and interest was Rs 80.4 million of which Emtel Ltd has already paid Rs 36.5 million at the time of objection and Rs 43.9 million in October 2014 by virtue of section 21(3) of the MRA Act 2004 in accordance with the decision of the Committee. The ARC gave its decision on 14 November 2013 maintaining MRA's assessment and on 04 Dec 2013, Emtel Ltd has appealed to the Supreme Court against that decision. In parallel to those appeals, Emtel is contesting before the Supreme Court the MRA's refusal to allow it to join the VDIA Scheme for those same years. Pending the determination of those cases, the payments made to the MRA have been recorded as a receivable from the MRA as the Board of the Company is confident that the matter shall be resolved positively. Matter has been heard on 13 March 2018 and judgement is awaited.

(i) Loans receivable arising on life assurance business

	Group	
	2018	2017
	Rs'000	Rs'000
Secured loans (at amortised cost):		
At 01 January	**115,664**	128,962
Loans granted	**22,973**	28,210
Interest	**(139)**	5,834
Loans refunded	**(29,687)**	(47,184)
Write-off on policy loans	**(266)**	(158)
At 31 December	**108,545**	115,664
Unsecured loans (at amortised cost):		
At 01 January	**24,000**	14,000
Loans granted	**40,000**	29,000
Loans refund	**-**	(19,000)
	64,000	24,000
Total loans at amortised cost	**172,545**	139,664
The movement in provision for impairment is as follows:		
At 01 January	**(14,257)**	(12,295)
Charge during the year	**(5,153)**	(1,962)
At 31 December	**(19,410)**	(14,257)
Carrying amount:		
At 31 December	**153,135**	125,407

The estimated fair values of the loans are the discounted amount of the estimated cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. The effective interest rates were in the range of **5%** to **14%** (2017 – 5% to 14%).

The fair values of the loans approximate their carrying amounts.

At 31 December 2018, loans amounting to **Rs 37,111,328** (2017 - Rs 29,074,845) were overdue which includes impaired and not impaired. These overdue loans receivables are secured by mortgaged properties.

Loans arising on life assurance business, **Rs 135,432,847** (2017 – Rs 102,677,155), are considered neither past due nor impaired when loan instalments are overdue for less than three months. When they are overdue for more than three months, they are tested for impairment individually and are considered impaired when the value of their mortgaged property is less than the carrying value of the loan receivable. The loans are secured against mortgaged properties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

(i) Loans receivable arising on life assurance business (Continued)

The ageing analysis of the loans arising on the life assurance business which are considered overdue and not impaired were as follows:

	2018 Rs'000	2017 Rs'000
Between 6 months to 1 year	**5,112**	1,165
Between 1 to 2 years	**3,863**	4,220
More than 2 years	**8,727**	9,432
Total overdue but not impaired originated loans	**17,702**	14,817

The amount of impaired loans amount to **Rs 19,410,390** (2017 – Rs 14,257,320). The other classes within loans and receivables do not contain impaired assets.

Included in the loans are **Rs 1,553,376** (2017 – Rs 3,991,428) in respect of loans made to directors and key management personnel.

(ii) Other loans

The loan to the parent, Fakhary Ltd, is unsecured and bears interest at **6.5%** (2017 – 6.5%).

All the other loans bear interest between **5.35%** and **6.5%** (2017 – 5.35% to 6.5%)

There are no overdue or non-performing loans.

At 31 December 2018, the carrying values of all loans receivable approximate their fair value.

The directors assess the credit quality of each receivable at a subsidiary level and ensure that appropriate procedures made to ensure credit quality.

(iii) Trade receivables

At 31 December 2018, trade receivables include provision of impairment on receivables amounting to **Rs 125,502,107** (2017 – Rs 125,963,034):

	2018 Rs'000	2017 Rs'000
Trade receivables – net	**278,641**	254,209
Provision for impairment	**125,502**	125,963
Gross amount receivable	**404,143**	380,172
Neither past due nor impaired	**200,948**	174,068
Past due but not impaired	**77,693**	80,141
Past due and impaired	**125,502**	125,963
Total past due	**203,195**	206,104
Gross amount receivable	**404,143**	380,172

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

(iii) Trade receivables (Continued)

The movement in provision for impairment of receivables is as follows:	2018 Rs'000	2017 Rs'000
At 01 January	**125,963**	157,229
Bad debts written off	**(28,237)**	(67,926)
Charge reversal for the year	**(315)**	-
Charge for the year	**28,091**	36,660
At 31 December	**125,502**	125,963

Fully performing receivables relate to a number of independent customers for whom there is no recent history of default. The directors assess the credit quality of each receivable at a subsidiary level and ensure that appropriate procedures made to ensure credit quality.

The gross receivables which are past due at the reporting date can be analysed as follows:

	Up to 6 months	6 months to 1 year	More than 1 year	Total
2018				
Gross receivables	**98,995**	**14,756**	**89,444**	**203,195**
Provision for impairment	**(22,945)**	**(13,890)**	**(88,667)**	**(125,502)**
	76,050	**866**	**777**	**77,693**
2017				
Gross receivables	91,116	109,137	5,851	206,104
Provision for impairment	(11,719)	(109,137)	(5,107)	(125,963)
	79,397	-	744	80,141

	2018 Rs'000	2017 Rs'000
(iv) Hire purchase debtors		
Hire purchase debtors - gross receivables	**46,633**	61,396
Unearned future hire purchase income	**(4,692)**	(6,206)
	41,941	55,190
Provision for credit losses	**(4,128)**	(6,957)
Net investment in hire purchase debtors	**37,813**	48,233
The gross receivables from hire purchase debtors may be analysed as follows:		
Not later than 1 year	**46,633**	44,181
Later than 1 year and not later than 5 years	**-**	17,215
	46,633	61,396
The net receivables hire purchase debtors may be analysed as follows:		
Not later than 1 year	**37,813**	32,144
Later than 1 year and not later than 5 years	**-**	16,089
	37,813	48,233

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

(iv) Hire purchase debtors (continued)

Hire purchase debtors are considered fully performing when the respective debtors are up to date with their instalments payments as per the terms of the hire purchase agreements. They are classified as past due as and when one instalment is overdue. Past due hire purchase debtors are then tested for impairment individually and are considered impaired when their carrying amounts exceed their recoverable amounts. An additional portfolio provision is also made on the basis of expected values. Hire purchase debtors are secured over the hire purchased assets and the latter's fair values approximated the carrying amounts of hire purchase debtors at the end of the reporting period. At reporting date, fully performing hire purchase debtors relate to debtors who are complying with their instalment payments.

The ageing analysis of hire purchase debtors are as follows:

	Fully performing	Past due but not impaired 1 to 4 months	Past due and provided for more than 4 months	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Group - 2018				
Receivables from hire purchase debtors net of unearned future hire purchase income	**28,206**	**8,893**	**4,842**	**41,941**
Provision for credit losses				
Portfolio provision	**(564)**	**(356)**	**-**	**(920)**
Provision for impairment	**-**	**-**	**(3,208)**	**(3,208)**
Provision for credit losses	**(564)**	**(356)**	**(3,208)**	**(4,128)**
Net investment in hire purchase debtors	**27,642**	**8,537**	**1,634**	**37,813**
Group - 2017				
Receivables from hire purchase debtors net of unearned future hire purchase income	34,237	11,156	9,797	55,190
Provision for credit losses				
Portfolio provision	(684)	(446)	-	(1,130)
Provision for impairment	-	-	(5,827)	(5,827)
Provision for credit losses	(684)	(446)	(5,827)	(6,957)
Net investment in hire purchase debtors	33,553	10,710	3,970	48,233

The movement in provision for credit losses is as follows:

	Group 2018	Group 2017
	Rs'000	Rs'000
At 01 January	**6,957**	10,628
Charge for the year	**1,488**	1,191
Bad debts written off	**(4,317)**	(4,862)
At 31 December	**4,128**	6,957

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

(v) Debt securities

The debt securities may be analysed as follows:

	2018 Rs'000	2017 Rs'000
At 01 January	**40, 576**	-
Additions	**148,817**	25,120
Disposals	**(16,378)**	-
Transfer from financial assets at fair value through OCI	**-**	14,929
Net fair value gain	**26**	5
Net gain on disposal	**56**	-
Interest accrued	**42**	522
Interest received	**(521)**	-
At 31 December	**172,618**	40,576
Due within 1 year	**14,526**	-
Due after more than 1 year	**158,092**	40,576
	172,618	40,576

Debt securities include the following:

	2018 Rs'000	2017 Rs'000
Unlisted securities:		
Treasury Bonds	**160,853**	40,576
Treasury Notes	**8,185**	-
Foreign Treasury Bill	**3,580**	-
	172,618	40,576

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities. None of these financial asset is either past due or impaired.

Held-to-maturity financial assets are denominated in the following currencies:

	2018 Rs'000	2017 Rs'000
MUR	**169,039**	40,576
USD	**3,579**	-
At 31 December	**172,618**	40,576

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

17 LOANS AND RECEIVABLES (CONTINUED)

(vi) Deposits with financial institutions

Deposits placed with financial institutions have maturities ranging from 1-2 years and earn interest at the rate of **2.6%** (2017 – 4.5% to 5.25%) per annum for the year ended 31 December 2018. Placement is made through a fund manager who ensures the credit quality of these deposits.

At 31 December 2018, statutory deposits comprised of fixed deposit certificates of **Rs 10,000,000** (2017 – Rs 10,000,000).

(vii) The other classes of loans and receivables do not contain impaired assets.

(viii) The maximum exposure to credit risk at reporting date is the carrying value of each class of loans and receivables mentioned above.

(ix) The Group does not hold any collateral as security other than already disclosed in note 17(i) and 17(iv).

(x) Currency profile of loans and receivables

The carrying amounts of the Group's and Company's loans and receivables are denominated in the following currencies:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	**1,123,181**	923,103	**764,035**	740,107
US Dollars	**31,360**	18,245	**-**	-
Euros	**26,264**	36,947	**-**	-
Great Britain Pounds	**384**	367	**-**	-
	1,181,189	978,662	**764,035**	740,107

Loans and receivables exclude deposits with financial institutions, amount receivable from MRA, prepayments and deposits.

18 PREPAID OPERATING LEASE

Group

	2018			2017		
	Cost associated to lease	Contribution to lease	Total	Cost associated to lease	Contribution to lease	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	**119,545**	**49,652**	**169,197**	121,312	50,469	171,781
Additions during the year	**5,727**	**-**	**5,727**	528	-	528
Amortisation for the year	**(2,557)**	**(817)**	**(3,374)**	(2,295)	(817)	(3,112)
At 31 December	**122,715**	**48,835**	**171,550**	119,545	49,652	169,197

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

18 PREPAID OPERATING LEASE (CONTINUED)

Costs associated to lease

The costs associated to lease consist of expenses incurred by the Company to comply with Article 21 of the Industrial Site Lease Agreement with respect to relocation of National Coast Guard, construction of public access road, re-routing of existing services and upgrading of public beach. The costs incurred are amortised with effect from the date of handing over to the relevant authorities over the remaining life of the lease.

Prepaid operating lease

In 2004, a subsidiary (Emtel Ltd), entered into a land lease agreement with Business Parks of Mauritius Ltd for the lease of 2 acres of land at Ébène Cybercity for a period of 30 years, renewable at the lessee's option for two further consecutive periods of 30 years.

In 2010, a subsidiary (Le Chaland Hotel Limited) deposited Rs 25 million as contribution to the Tourism Fund in connection with the Group's hotel project at La Cambuse. During the year ended 31 December 2015, the Company deposited an additional Rs 23,690,060 to the Tourism Fund, as required by the revised State Land Act. The contribution acts as an up-front payment to the revised land lease agreement dated June 2015, starting as from January 2015. In previous years, the lease rental was being amortised based on the draft lease agreement dated 2010. Upon signature of the revised lease agreement in June 2015, the previous amortisation reserve has been written back and amortisation is being recorded as from January 2015, over a period of 60 years to 2074.

19 DEFERRED INCOME TAX

(i) Assets

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	**12**	459	**-**	-
Income statement charge	**(4)**	(447)	**-**	-
At 31 December	**8**	12	**-**	-

The movement in deferred tax assets and liabilities is as follows:

	At 01 January	(Charge)/ credit to income statement	At 31 December `
	Rs'000	Rs'000	Rs'000
Group-2018			
Deferred income tax assets:			
Tax losses carried forward	-	-	-
Provision for impairment of trade receivables	-	-	-
Post-employment benefits	**6**	**(4)**	**2**
Accelerated capital allowances	**6**	**-**	**6**
	12	**(4)**	**8**
Group-2017			
Deferred income tax assets:			
Tax losses carried forward	222	(222)	-
Provision for impairment of trade receivables	176	(176)	-
Post-employment benefits	53	(47)	6
Accelerated capital allowances	8	(2)	6
	459	(447)	12

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

19 DEFERRED INCOME TAX (CONTINUED)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets:				
Deferred tax asset to be recovered after more than 12 months	4	6	-	-
Deferred tax liabilities:				
Deferred tax liability to be recovered after more than 12 months	4	6	-	-
Deferred tax asset (net)	**8**	12	**-**	-

(ii) Liabilities

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	**238,494**	274,103	**-**	-
Income statement (credit)/charge	**(19,728)**	(34,179)	**-**	-
(Credit)/charge to other comprehensive income (Note 9(c))	**4,962**	(1,430)	**-**	-
At 31 December	**223,728**	238,494	**-**	-

The movement in deferred income tax assets and liabilities is as follows:

Group - 2018

	At 01 January 2018	Charge/ (credit) to income statements	Charge to other comprehensive income	At 31 December 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred income tax liabilities:				
Accelerated capital allowances	**233,238**	**(20,290)**	**-**	**212,948**
Unrealised exchange gain	**30**	**1,038**	**-**	**1,068**
Revaluation of property, plant and equipment	**32,352**	**-**	**1,633**	**33,985**
	265,620	**(19,252)**	**1,633**	**248,001**
Deferred income tax assets:				
Provision for impairment of receivables	**(20,350)**	**80**	**-**	**(20,270)**
Retirement benefit obligations	**(6,776)**	**(556)**	**3,329**	**(4,003)**
Unrealised exchange loss	**-**		**-**	**-**
	(27,126)	**(476)**	**3,329**	**(24,273)**
Net deferred income tax liabilities	**238,494**	**(19,728)**	**4,962**	**223,728**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

19 DEFERRED INCOME TAX (CONTINUED)

(ii) Liabilities (Continued)

Group - 2017

	At 01 January 2017	Charge/ (credit) to income statements	Charge/(credit) to other comprehensive income	At 31 December 2017
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred income tax liabilities:				
Accelerated capital allowances	270,534	(37,296)	-	233,238
Unrealised exchange gain	52	(22)	-	30
Revaluation of property, plant and equipment	30,462	-	1,890	32,352
	301,048	(37,318)	1,890	265,620
Deferred income tax assets:				
Provision for impairment of receivables	(22,978)	2,628	-	(20,350)
Retirement benefit obligations	(3,848)	392	(3,320)	(6,776)
Unrealised exchange loss	(119)	119	-	-
	(26,945)	3,139	(3,320)	(27,126)
Net deferred income tax liabilities	274,103	(34,179)	(1,430)	238,494

The movement in deferred income tax assets and liabilities is as follows:

The directors have not recognised a deferred income tax asset attributable to the following as future taxable profits may not be available against which the temporary differences can be utilised:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Tax losses carried forward	**108,560**	57,743	**50,442**	13,720
Accelerated capital allowances	**8,186**	10,218	**6,699**	6,541
Provision for retirement benefit obligations	**76,858**	89,874	**72,483**	80,319
Provision for bad and doubtful debts	**3,572**	1,381	**-**	-
Others	**484**	514	**-**	-
	197,660	159,730	**129,624**	100,580

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

20 INVENTORIES

	Group	
	2018	2017
	Rs'000	Rs'000
At cost:		
Finished goods and goods for resale	**53,089**	39,155
Telephone sets, related spares and accessories	**34,004**	37,110
Spare parts and consumables	**2,046**	4,733
Goods in transit	**18,001**	5,016
Work in progress	**6,510**	4,180
	113,650	90,194
At net realisable value:		
Telephone sets, related spares and accessories	**9,339**	7,139
	122,989	97,333

21 ASSETS HELD FOR SALE

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Group				
At 01 January	**895**	61,000	**-**	-
Transfer from investment property (Note 11)	**-**	895	**-**	-
Transfer from property, plant and equipment (Note 10)	**2,817**	-	**-**	-
Transfer from intangible assets (Note 12)	**553**	-	**-**	-
Impairment	**(1,826)**	-	**-**	-
Disposal	**(895)**	(61,000)	**-**	-
At 31 December	**1,544**	895	**-**	-

The asset held for sale for 2018, Rs 1,544,000, relates to a subsidiary which prepared its Financial Statements on a non-going concern basis subsequent to the end of the reporting period. The board of the subsidiary has approved the disposal of the Company's assets to a third party and the Company will cease trading.

During the year 2017, the Government of Mauritius sent a notice under section 8 of the Land Acquisition Act to Multichannel Retail Limited, a subsidiary of the Group, for compulsorily acquisition of land to the extent of 157.40 square metres for the implementation of Metro Express Project. Sale proceeds of Rs 1,419,450 inclusive of interest were received in July 18. The land was valued at Rs 895,000 as at 31 December 2017.

Sales proceeds of Rs 94,994,521 inclusive of interest were received from disposal of asset held for sale in February 2017. The land was valued at Rs 61,000,000 as at 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

22 SHARE CAPITAL

Group and Company

	2018 Number	2017 Number	2018 Rs'000	2017 Rs'000
Authorised:				
Ordinary shares of Rs 100 each	**300,000**	300,000	**30,000**	30,000
Issued and fully paid:				
Ordinary shares of Rs 100 each	**297,000**	297,000	**29,700**	29,700

23 LIFE ASSURANCE FUNDS

	2018 Rs'000	2017 Rs'000
Group		
At 01 January	**876,821**	818,202
Transfer of surplus/(deficit) from/to life assurance business revenue account (Note 5)	**123,030**	44,627
Other transfers	**-**	13,992
At 31 December	**999,851**	876,821
Non-current	**888,009**	781,492
Current	**111,842**	95,329
	999,851	876,821

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

23 LIFE ASSURANCE FUNDS (CONTINUED)

The Group's actuary for its life insurance business is True South Actuaries & Consultants. The Group's actuary for pension business is Aon Hewitt Ltd.

The Group has provided the breakdown of life assurance fund due within 1 year and more than 1 year based on best estimates available.

At 31 December 2018, the adequacy of the life assurance fund has been assessed based on the following assumptions:

- Interest rate of **8.25%** (2017: 7.5%);
- Assumed lapse rates of **27%, 11%, 8% and 8%** for years 1,2,3 and 4+ (2017: 27%, 11%, 8% and 8%);
- Expense inflation rate of **1.80%** (2017: 2.20%); and
- Mortality table **36% SA 85/90** (2017: 35% SA 85/90)

24 BORROWINGS

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans – secured	**3,181,152**	2,889,820	**2,457,435**	2,248,645
Other loans	**-**	1,729	**-**	-
Loans payable to related parties (Note 35(v) (a))	**678**	-	**-**	-
Finance lease obligations	**10,662**	10,848	**7,272**	5,379
	3,192,492	2,902,397	**2,464,707**	2,254,024
Current				
Bank overdrafts (Note 30)	**139,922**	103,045	**83,109**	42,502
Bank loans – secured	**1,260,018**	919,155	**567,690**	607,624
Import loans	**14,257**	10,202	**-**	-
Loans payable to subsidiaries (Note 35(v)(d))	**-**	-	**2,958**	2,958
Loans payable to related parties (Note 35(v) (a))	**253,342**	213,639	**248,469**	210,252
Loans payable to shareholders (Note 35(v) (b))	**300,999**	300,999	**300,000**	300,000
Loans payable to directors (Note 35(v) (c))	**53,138**	52,768	**53,138**	52,768
Other loans	**100**	3,473	**100**	100
Finance lease obligations	**6,082**	7,188	**3,505**	3,094
	2,027,858	1,610,469	**1,258,969**	1,219,298
Total borrowings	**5,220,350**	4,512,866	**3,723,676**	3,473,322

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The borrowing rate is between **3.7% and 7.1%** (2017 – 3.27% and 8.25%).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

24 BORROWINGS (CONTINUED)

Bank overdrafts

The bank overdrafts and other banking facilities are secured by floating charges on all of the assets of the Company.

Bank loans

The bank loans are secured by floating charges on the assets of the Group and the Company and also by the pledge of shares and can be analysed as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Current				
Within one year	**1,260,018**	919,155	**567,690**	607,624
Non-current				
After one year and before two years	**1,535,606**	1,834,284	**1,307,641**	1,564,172
After two years and before five years	**1,360,684**	1,026,916	**914,933**	661,549
After five years	**284,862**	28,620	**234,861**	22,924
	3,181,152	2,889,820	**2,457,435**	2,248,645
Total bank loans	**4,441,170**	3,808,975	**3,025,125**	2,856,269

The denomination and effective interest rates of the bank loans are as follows:

	3.27% to 7.00%	7.01% to 8.25%	Total
	Rs'000	Rs'000	Rs'000
Group - 2018			
Mauritian rupees	**4,373,992**	**65,297**	**4,439,289**
Euros	**1,881**	-	**1,881**
	4,375,873	**65,297**	**4,441,170**
Group - 2017			
Mauritian rupees	3,484,043	93,739	3,577,782
US dollars	29,493	-	29,493
Euros	201,700	-	201,700
	3,715,236	93,739	3,808,975
Company - 2018			
Mauritian rupees	**2,968,875**	**56,250**	**3,025,125**
Company - 2017			
Mauritian rupees	2,543,827	81,250	2,625,077
US dollars	29,492	-	29,492
Euros	201,700	-	201,700
	2,775,019	81,250	2,856,269

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

24 BORROWINGS (CONTINUED)

Bank loans (Continued)

The bank loans are scheduled for payment as follows:

	2019	2020	2021	2022	2023	Later than 2023	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Group – 2018							
Mauritian rupees	**1,260,018**	**1,535,606**	**815,433**	**369,942**	**173,429**	**284,861**	**4,439,289**
Euros	**-**	**-**	**1,881**	**-**	**-**	**-**	**1,881**
	1,260,018	**1,535,606**	**817,314**	**369,942**	**173,429**	**284,861**	**4,441,170**
Company – 2018							
Mauritian rupees	**567,690**	**1,307,641**	**483,400**	**287,029**	**144,504**	**234,861**	**3,025,125**

	2018	2019	2020	2021	2022	Later than 2022	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Group – 2017							
Mauritian rupees	813,269	1,719,649	457,940	405,553	152,751	28,620	3,577,782
US dollars	9,177	9,644	10,672	-	-	-	29,493
Euros	96,709	104,991	-	-	-	-	201,700
	919,155	1,834,284	468,612	405,553	152,751	28,620	3,808,975
Company – 2017							
Mauritian rupees	501,738	1,449,538	299,301	246,990	104,687	22,823	2,625,077
US dollars	9,177	9,643	10,672	-	-	-	29,492
Euros	96,709	104,991	-	-	-	-	201,700
	607,624	1,564,172	309,973	246,990	104,687	22,823	2,856,269

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

24 BORROWINGS (CONTINUED)

	Group 2018 Rs'000	Group 2017 Rs'000	Company 2018 Rs'000	Company 2017 Rs'000
Finance lease obligations - minimum lease payments				
Amounts falling due:				
Not later than 1 year	**7,002**	8,062	**4,107**	3,608
Later than 1 year and not later than 5 years	**11,735**	11,417	**7,993**	5,640
Later than 5 years	**70**	196	**70**	196
	18,807	19,675	**12,170**	9,444
Future finance charges on finance leases	**(2,063)**	(1,639)	**(1,393)**	(971)
Present value of finance lease obligations	**16,744**	18,036	**10,777**	8,473
The present value of finance lease obligations is as follows:				
Not later than 1 year	**6,082**	7,188	**3,505**	3,094
Later than 1 year and not later than 5 years	**10,593**	10,662	**7,204**	5,193
Later than 5 years	**69**	186	**68**	186
Present value of finance lease obligations (Note 29)	**16,744**	18,036	**10,777**	8,473

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

Net debt reconciliation

This section sets out an analysis of the net debt and the movements in net debt of each of the periods presented.

	Group 2018 Rs'000	Group 2017 Rs'000	Company 2018 Rs'000	Company 2017 Rs'000
Cash and cash equivalents (including bank overdraft)	**(609,942)**	(321,600)	**72,256**	31,700
Borrowings – repayable within one year	**1,887,936**	1,507,424	**1,175,860**	1,176,796
Borrowings – repayable after one year	**3,192,492**	2,902,397	**2,464,707**	2,254,024
Net debt	**4,470,486**	4,088,221	**3,712,823**	3,462,520
Cash and cash equivalents	**(749,864)**	(424,645)	**(10,853)**	(10,802)
Gross debt with fixed interest rates	**500,000**	239,424	**150,000**	158,573
Gross debt with variable interest rates	**4,720,350**	4,273,442	**3,573,676**	3,314,749
Net debt	**4,470,486**	4,088,221	**3,712,823**	3,462,520

	Group (Cash)/bank overdraft	Group Borrowings due within one year	Group Borrowings due after one year	Company Cash/bank overdraft	Company Borrowings due within one year	Company Borrowings due after one year
Net debt as at 01 January 2017	(92,642)	1,102,894	3,305,821	103,466	704,047	2,714,382
Cash flows	(228,958)	400,082	(407,374)	(71,766)	468,300	(464,308)
Foreign exchange adjustments	-	4,448	3,950	-	4,449	3,950
Net debt as at 31 December 2017	**(321,600)**	**1,507,424**	**2,902,397**	**31,700**	**1,176,796**	**2,254,024**
Cash flows	**(287,842)**	**375,582**	**290,095**	**40,556**	**(5,866)**	**210,683**
Foreign exchange adjustments	**-**	**4,930**	**-**	**-**	**4,930**	**-**
Net debt as at 31 December 2018	**(609,442)**	**1,887,936**	**3,192,492**	**72,256**	**1,175,860**	**2,464,707**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

25 POST-EMPLOYMENT BENEFITS

Defined benefit pension plan

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statement of financial position:				
Present value of funded obligations	**448,795**	496,177	**150,139**	163,980
Fair value of plan assets	**(296,757)**	(304,374)	**(90,038)**	(100,892)
Deficit of funded plans	**152,038**	191,803	**60,101**	63,088
Present value of unfunded obligations	**366,271**	409,376	**366,271**	409,376
Liability in the statement of financial position	**518,309**	601,179	**426,372**	472,464
Non-current	**515,922**	601,179	**426,372**	472,464
Current	**2,387**	-	**-**	-

The Group operates defined benefit pension plans. All of the plans are final salary pension plans, which provide 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. Pensions in payment are generally updated in line with the inflation rate and benefit payments for funded obligations are from ILA managed Pension Fund.

The movement in the defined benefit obligation over the year is as follows:

Group

	Present value of obligation	Fair value of plan assets	Total
	Rs'000	Rs'000	Rs'000
At 01 January 2018	**905,553**	**(304,374)**	**601,179**
Current service cost	**28,854**	**-**	**28,854**
Interest cost	**47,737**	**(16,735)**	**31,002**
Past service cost	**4,596**	**-**	**4,596**
Other movements	**2,793**	**1,375**	**4,168**
	989,533	**(319,734)**	**669,799**
Remeasurements:			
Return on plan assets excluding amount included in interest expense	**-**	**4,877**	**4,877**
Gain from change in financial assumptions	**(55,924)**	**-**	**(55,924)**
Experience gains	**(6,492)**	**-**	**(6,492)**
	(62,416)	**4,877**	**(57,539)**
Exchange differences			
Contribution – Employers	**-**	**(38,149)**	**(38,149)**
Payment from plans – Benefit payments	**(112,051)**	**56,249**	**(55,802)**
	(112,051)	**18,100**	**(93,951)**
At 31 December 2018	**815,066**	**(296,757)**	**518,309**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

25 POST-EMPLOYMENT BENEFITS (CONTINUED)

The movement in the defined benefit obligation over the year 2017 is as follows:

Group (Continued)

	Present value of obligation	Fair value of plan assets	Total
	Rs'000	Rs'000	Rs'000
At 01 January 2017	728,779	(228,786)	499,993
Current service cost	23,148	-	23,148
Interest cost	45,542	(15,625)	29,917
Past service cost	7,512	-	7,512
Other movements	16,233	(9,241)	6,992
	821,214	(253,652)	567,562
Remeasurements:			
Return on plan assets excluding amount included in interest income	-	(18,902)	(18,902)
Loss from change in demographic assumptions	619	-	619
Loss from change in financial assumptions	123,423	-	123,423
Experience losses	8,324	-	8,324
	132,366	(18,902)	113,464
Exchange differences			
Contribution – Employers	-	(75,506)	(75,506)
Payment from plans – Benefit payments	(48,027)	43,686	(4,341)
	(48,027)	(31,820)	(79,847)
At 31 December 2017	905,553	(304,374)	601,179

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

25 POST-EMPLOYMENT BENEFITS (CONTINUED)

Company

	Present value of obligation	Fair value of plan assets	Total
	Rs'000	**Rs'000**	**Rs'000**
At 01 January 2018	**573,356**	**(100,892)**	**472,464**
Current service cost	**9,089**	**-**	**9,089**
Interest cost/(income)	**30,292**	**(5,924)**	**24,368**
Past service cost	**2,204**	**-**	**2,204**
	614,941	**(106,816)**	**508,125**
Remeasurements:			
Return on plan assets excluding amount included in interest expense	**-**	**2,348**	**2,348**
Gain from change in financial assumptions	**(10,320)**	**-**	**(10,320)**
Experience gains	**(7,970)**	**-**	**(7,970)**
	(18,290)	**2,348**	**(15,942)**
Exchange differences			
Contribution – Employer	**-**	**(13,700)**	**(13,700)**
Payment from plans – Benefit payments	**(80,241)**	**28,130**	**(52,111)**
	(80,241)	**14,430**	**(65,811)**
At 31 December 2018	**516,410**	**(90,038)**	**426,372**

The movement in the defined benefit obligation over the year 2017 is as follows:

	Present value of obligation	Fair value of plan assets	Total
	Rs'000	Rs'000	Rs'000
At 01 January 2017	505,582	(76,574)	429,008
Current service cost	6,856	-	6,856
Interest cost/(income)	31,558	(5,428)	26,130
Past service cost	427	-	427
	544,423	(82,002)	462,421
Remeasurements:			
Return on plan assets excluding amount included in interest expense	-	(4,804)	(4,804)
Loss from change in financial assumptions	55,278	-	55,278
Experience losses	14,875	-	14,875
	70,153	(4,804)	65,349
Exchange differences			
Contribution – Employer	-	(14,086)	(14,086)
Payment from plans – Benefit payments	(41,220)	-	(41,220)
	(41,220)	(14,086)	(55,306)
At 31 December 2017	573,356	(100,892)	472,464

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

25 POST-EMPLOYMENT BENEFITS (CONTINUED)

Company (Continued)

The significant actuarial assumptions were as follows:

	Group 2018	Group 2017	Company 2018	Company 2017
Discount rate	**5.6% to 6.1%**	5.5%	**5.6% to 6.1%**	5.5%
Inflation rate	**3.5%**	3.0%	**3.5%**	3.0%
Salary growth rate	**4.0%**	4.0%	**4.0%**	4.0%
Pension growth rate	**1.0%**	0.5%	**1.0%**	0.5%

Average life expectancy in years for a pensioner retiring at age 63

Retiring at the end of the reporting period

	Group 2018	Group 2017	Company 2018	Company 2017
Male	**12.3**	17.3	**12.3**	17.3
Female	**13.5**	21.7	**13.5**	21.7

Average life expectancy in years for a pensioner retiring at age 63

Retiring 20 years after the end of the reporting period

	Group 2018	Group 2017	Company 2018	Company 2017
Male	**12.3**	17.3	**12.3**	17.3
Female	**13.5**	21.7	**13.5**	21.7

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Group			
Discount rate	**1%**	**60,252**	**69,237**
Company			
Discount rate	**1%**	**24,507**	**23,850**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

25 POST - EMPLOYMENT BENEFITS (CONTINUED)

Plan assets are comprised as follows:

	Group			Company		
2018	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Equities - Overseas	**29,676**	**-**	**29,676**	**9,004**	**-**	**9,004**
Equities - Local	**130,573**	**11,870**	**143,443**	**39,616**	**3,602**	**43,218**
Fixed interest securities - Overseas	**20,773**	**-**	**20,773**	**6,303**	**-**	**6,303**
Fixed interest securities - Local	**20,773**	**56,384**	**77,157**	**6,303**	**17,107**	**23,410**
Cash and others	**-**	**26,708**	**26,708**	**-**	**8,103**	**8,103**
	201,795	**94,962**	**296,757**	**61,226**	**28,812**	**90,038**

	Group			Company		
2017	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Equities - Overseas	30,437	-	30,437	10,089	-	10,089
Equities - Local	115,662	-	115,662	38,339	-	38,339
Fixed interest securities - Overseas	15,219	-	15,219	5,045	-	5,045
Fixed interest securities - Local	-	3,044	3,044	6,053	8,071	14,124
Cash and others	18,262	121,750	140,012	-	33,295	33,295
	179,580	124,794	304,374	59,256	41,366	100,892

The Group and Company operate a final salary defined benefit pension plan for its employees. The plan exposes the Group and Company to normal risks associated with defined benefit pension plans, such as investment, interest, longevity and salary risks.

Investment risk: the plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: a decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: the plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: the plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Company's expected employer contribution for the next year is **Rs 16,521,000** and the weighted average duration of the defined benefit obligation is between 6 and 13 years.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

26 PROVISION FOR ASSET RETIREMENT OBLIGATIONS

The provision is in respect of the dismantling and removal of equipment from leased cell sites for the period if the operating lease is not renewed.

	Group	
	2018	2017
	Rs'000	Rs'000
At 01 January	**53,511**	50,545
Additional provision during the year	**6,521**	902
Disposal adjustments	**(257)**	(385)
ARO adjustments	**-**	-
Finance charge	**8,175**	2,449
At 31 December	**67,950**	53,511

The above has been calculated based on these assumptions:

Life of the assets – **5 to 25 years** (2017 – 5 to 25 years)

Interest rate – **5.95%** (2017 – 5.85%)

A change in the rate of interest of 1% higher/lower than the actual rate would have increased/decreased the finance charge by **Rs 679,499** (2017 – Rs 535,111).

27 TRADE AND OTHER PAYABLES AND PROVISION FOR OTHER LIABILITIES AND CHARGES

(i) TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Not later than one year	**1,470,629**	1,033,524	**74,684**	69,385
Later than one year	**16,116**	11,652	**-**	-
	1,486,745	1,045,176	**74,684**	69,385
Bills payable (secured)	**51,713**	51,294	**-**	-
Trade payables	**188,204**	159,834	**1,368**	272
Other payables and accruals	**921,855**	613,830	**66,857**	34,108
Subscription received in advance (pay TV subscribers)	**105,222**	107,980	**-**	-
Deposits	**47,087**	29,754	**-**	-
Amount due to subsidiaries	**-**	-	**1,799**	3,273
Amount due to other related parties (Note 35(vi)(c))	**48,256**	53,295	**1,688**	13,594
Amount due to associates (Note 35(vi)(a))	**622**	1,139	**-**	-
Amount payable to shareholder (Note 35(vi) (d))	**1,864**	48	**1,655**	-
Amount due to directors (Note 35(vi) (b))	**1,317**	18,138	**1,317**	18,138
Income received in advance	**8,798**	8,012	**-**	-
Dividends payable	**111,807**	1,852	**-**	-
	1,486,745	1,045,176	**74,684**	69,385

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

27 TRADE AND OTHER PAYABLES AND PROVISION FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

(ii) PROVISION FOR OTHER LIABILITIES AND CHARGES

The Group provision for other liabilities and charges relates to solidarity levy charge on revenue. The movement in provision is shown below:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At 01 January	**52,387**	38,585	**-**	-
Charge for the year	**45,286**	52,387	**-**	-
Adjustment for prior year	**4**	(97)	**-**	-
Paid during the year	**(52,391)**	(38,488)	**-**	-
At 31 December	**45,286**	52,387	**-**	-

28 CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before taxation	**628,406**	594,006	**399,659**	248,846
Adjustments for:				
Depreciation on property, plant and equipment (Note 10)	**650,750**	790,292	**9,071**	7,173
Amortisation of intangible assets and prepaid leases (Note 12 and note 18)	**82,782**	83,370	**1,994**	2,023
Profit on disposal of property, plant and equipment (Note 5)	**(4,792)**	(7,728)	**(456)**	(945)
Write-offs of property, plant and equipment (Note 10)	**4,950**	26,557	**-**	-
Write-offs of intangible assets (Note 12)	**48**	15	**-**	-
Gain on disposal of asset held for sale	**(1,786)**	(33,994)	**-**	-
Impairment on asset held for sale (Note 21)	**1,826**	-	**-**	-
Profit on disposal of available for sale investments	**-**	(204,702)	**-**	-
Write-offs and impairment of available for sale investments	**-**	11	**-**	10
Fair value loss/(gain) on financial assets at fair value through profit or loss (Note 16)	**-**	(57,120)	**-**	-
(Profit)/loss on disposal of financial assets at fair value through profit or loss (Note 16)	**-**	(7,006)	**-**	-
Fair value (gain)/loss on investment properties (Note 11)	**(48,868)**	(4,867)	**(2,689)**	(1,488)
Impairment of investment properties (Note 11)	**40,339**	-	**-**	-
Unrealised foreign exchange differences	**(5,278)**	17,953	**(4,930)**	8,399
Disposal adjustment of asset retirement obligation (Note 26)	**8,175**	2,449	**-**	-
Depreciation adjustment on ARO	**6,264**	517	**-**	-
Impairment charge on loans and receivables	**29,579**	112,602	**-**	437
Net impairment reversal on investment in subsidiaries	**-**	-	**(26,798)**	-
Share of profit of associated companies (Note 14)	**(55,906)**	(55,679)	**-**	-
Dividend income (Note 5)	**(10,091)**	(1,902)	**(732,161)**	(638,152)
Finance costs – net	**255,813**	260,669	**189,806**	201,813
Other adjustments	**261**	-	**-**	-
	1,582,472	1,515,443	**(166,504)**	(171,884)
Working capital changes				
Decrease/(increase) in inventories	**(25,656)**	(12,392)	**-**	-
(Increase)/decrease in trade and other receivables	**(144,236)**	(136,187)	**3,735**	(19,300)
Increase/(decrease) in trade and other payables	**441,669**	(9,486)	**(8,886)**	(43,325)
(Decrease)/ increase in provision for other liabilities	**(7,101)**	8,309	**-**	-
Movement in retirement benefits obligations	**(25,331)**	(20,171)	**(30,150)**	(21,894)
Increase in life assurance funds and liabilities of life assurance company	**96,140**	47,650	**-**	-
	335,485	(122,277)	**(35,301)**	(84,519)
Cash generated from/(used in) operations	**1,917,957**	1,393,166	**(201,805)**	(256,403)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

29 NON-CASH INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Finance lease obligations at 01 January	**18,036**	23,939	**8,473**	9,017
Inception of new leases	**7,527**	4,814	**7,527**	2,209
Capital element of finance lease payments	**(8,819)**	(10,717)	**(5,223)**	(2,753)
Finance lease obligations at 31 December (Note 24)	**16,744**	18,036	**10,777**	8,473

30 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following amounts:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	**749,864**	424,645	**10,853**	10,802
Bank overdrafts (Note 24)	**(139,922)**	(103,045)	**(83,109)**	(42,502)
	609,942	321,600	**(72,256)**	(31,700)

31 DIVIDENDS

	Company	
	2018	2017
	Rs'000	Rs'000
Proposed and paid		
Rs 371.72 per share (2017 – Rs 337.71)	**110,400**	100,300

32 CAPITAL COMMITMENTS

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Capital commitments for property, plant and equipment:				
Authorised and contracted for	**863,478**	1,020,268	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

33 OPERATING LEASES COMMITMENTS

The Group leases premises for use as warehouses, offices, retail outlets and cell sites. The leases are under non-cancellable operating lease agreements and their lease terms are between 3 and 10 years. The majority of the lease agreements are renewable at the end of the lease period. The Group does not have the option to purchase the leased premises at the expiry of the lease period.

The Group leases equipment under non-cancellable operating lease agreement. Their lease terms are between 3 and 10 years. The majority of the lease agreements are renewable at the end of the lease period. The Group does not have the option to purchase the leased equipment at the expiry of the lease period.

The Group also leases a plot of land at La Cambuse under operating lease for a period of 60 years. The lease has varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Not later than 1 year	**119,737**	106,927	**-**	-
Later than 1 year and not later than 5 years	**357,262**	347,093	**-**	-
Later than 5 years	**295,265**	335,706	**-**	-
	772,264	789,726	**-**	-

34 (i) CONTINGENCIES

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Guarantees				
On loans and bank overdraft facilities of subsidiaries, associates and related companies	**1,164,290**	1,150,690	**1,164,290**	1,150,690
Group's share of bank guarantees of associates	**10,399**	8,188	**-**	-
Bank guarantees	**55,399**	66,790	**2,064**	2,027

At 31 December 2018, the Group and Company had contingent liabilities in respect of bank guarantees in the ordinary course of business amounting to **Rs 55,399,000** (2017 – Rs 66,790,000) and **Rs 2,064,000** (2017 – Rs 2,027,000) respectively, from which it is anticipated that no material liabilities will arise.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

34 (ii) CONTINGENT ASSETS AND LIABILITIES

Emtel Limited, one of the Group's subsidiary, has lodged a claim for damages in excess of Rs 1 billion (USD 32 M) (plus interest and cost) against the Information & Communication Technologies Authority, Mauritius Telecom Ltd, Ministry of Technology, Telecommunications and Innovations and Cellplus Mobile Communications Ltd for losses incurred as a result of inter alia failure by the authorities to ensure a level of playing field and unfair competitive practices. Judgment was given by the Supreme Court in favour of Emtel Limited on the 9 August 2017 and a total amount of Rs 554,139,900 with costs and interests at the legal rate was awarded to Emtel Limited. The defendants have lodged their respective appeals before the Supreme Court (Court of Civil Appeal) and now the Appeal has been fixed for merits in June 2019.

On the other hand, Emtel Limited has received a counter claim from Data Communications Ltd for 1.5 million euros for allegedly failing to supply an uninterrupted data service in respect of an International Private Line leased from Emtel Limited. The case is not yet in shape for trial.

At this stage the Board of Directors does not believe that Emtel Limited will be required by the Court to settle the amount claimed by Data Communications Ltd.

35 RELATED PARTY TRANSACTIONS

The Group is directly controlled by Fakhary Limited which owns 62.95% of the Company's shares.

The particulars of the significant transactions carried out with related parties are presented below.

The other receivables from related parties are receivable within 1 year. The terms of loans receivable from and loans payable to related parties are also disclosed below.

	Group		Company	
	2018	**2017**	**2018**	**2017**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
(i) Sales of goods and services				
Associates	**4,315**	3,530	**-**	-
Directors	**154**	-	**-**	-
	4,469	3,530	**-**	-
Rental income				
Subsidiaries	**-**	-	**5,695**	3,530
Management fee income				
Subsidiaries	**-**	-	**54,976**	50,136
Shareholders	**2,596**	2,596	**100**	100
Associates	**639**	639	**640**	639
Entity significantly influenced by the directors of the Company	**3,165**	3,521	**-**	3,521
	6,400	6,756	**55,716**	54,396
(ii) Purchases of goods and services				
Purchases of goods				
Associates	**5,793**	7,329	**-**	-
Entity significantly influenced by the directors of the Company	**549,203**	514,866	**-**	-
	554,996	522,195	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

35 RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Rental costs				
Entity significantly influenced by the directors of the Company	**6,356**	5,616	**3,518**	2,386
Management fee expense excluding Currimjee Limited				
Subsidiaires	**-**	-	**6,942**	2,246
Interest expense				
Subsidiaries	**-**	-	**178**	97
Related parties	**12,676**	11,879	**11,874**	11,415
Shareholders	**19,672**	15,665	**19,607**	15,600
Directors	**3,296**	2,878	**3,296**	2,878
Interest income				
Subsidiaries	**-**	-	**952**	1,120
Related parties	**-**	10	**-**	-
Shareholders	**20,057**	21,508	**20,057**	21,508
Currimjee Limited (common directorships)				
Secretarial fees	**-**	5,110	**-**	530
Management fees	**1,953**	6,888	**1,953**	6,888
	1,953	11,998	**1,953**	7,418
Key management compensation				
Salaries and other short term employee benefits	**169,872**	165,420	**102,926**	93,310
Post-employment benefits	**2,224**	23,155	**-**	21,987
	172,096	188,575	**102,926**	115,297

Key management personnel of the Company refers to directors (Executive and Non-Executive) and members of the senior management team of the Company as disclosed in the Corporate Governance report. Key management personnel of the Group refers to key management personnel of the Company and key management personnel of subsidiaries.

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
(iii) Loans receivable (Note 17)				
(a) *Loans to related parties*				
Parent company	**337,436**	336,536	**337,436**	336,536
Entity significantly influenced by the directors of the Company	**3,306**	2,706	**6**	6
	340,742	339,242	**337,442**	336,542

The above loans to related parties are unsecured, repayable at call, bearing interest between **5.35% and 6%** per annum. (2017 – 5.35% and 6.5%).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

35 RELATED PARTY TRANSACTIONS (CONTINUED)

	Group 2018 Rs'000	Group 2017 Rs'000	Company 2018 Rs'000	Company 2017 Rs'000
(iii) Loans receivable (Note 17) (Continued)				
(b) Loan to directors	**347**	347	**347**	347
The above loan to directors are unsecured, interest free and repayable at call.				
(c) Loans to subsidiaries	**-**	-	**354,855**	354,855
The loans to subsidiaries are repayable at call and bears interest rates as follows:				
Interest free loan	**-**	-	**330,210**	330,210
Interest rate ranging from **5.35% to 6%** (2017 – 5.35% to 6.5%)	**-**	-	**24,645**	24,645
	-	-	**354,855**	354,855
(iv) Amounts receivable from:				
(a) Associates (Note 17)				
At 01 January	**850**	830	**271**	402
Movement during the year	**499**	20	**4**	(131)
At 31 December	**1,349**	850	**275**	271
(b) Shareholders (Note 17)				
At 01 January	**1,278**	1,865	**1,255**	1,865
Movement during the year	**(1,255)**	(587)	**(1,255)**	(610)
At 31 December	**23**	1,278	**-**	1,255
(c) Directors (Note 17)				
Amount receivable from directors	**1,991**	908	**1,050**	908
(d) Other related parties (Note 17)				
Entities significantly influenced by the Group	**17,329**	25,619	**-**	1,988
Other related parties	**915**	725	**2,077**	33
	18,244	26,344	**2,077**	2,021
(e) Subsidiaries (Note 17)				
Amounts receivable from subsidiaries	**-**	-	**41,504**	32,659

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

35 RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
(v) Loans payable to:				
(a) Related parties (Note 24)				
Entities significantly influenced by the Group	**71,500**	36,500	**71,500**	36,500
Shareholders of the ultimate parent	**125,105**	121,585	**125,105**	121,485
Close family members of shareholders of the ultimate parent	**57,415**	55,554	**51,864**	52,267
	254,020	213,639	**248,469**	210,252

- The loan payable to entities significantly influenced by the Group are unsecured, repayable within one year and interest payable ranging from **5% to 7%** (2017 – 7%) per annum.

- The loan payable to the shareholders of the ultimate parent are unsecured, repayable at call and bear interest at the rate of **5.35%** (2017 – 5.35%) per annum.

- The loan payable to close family members of shareholders of the ultimate parent are unsecured, repayable at call and bear interest at the rate of **5.35%** (2017 – 5.35%) per annum.

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
(b) Shareholders (Note 24)				
At 01 January	**300,999**	175,999	**300,000**	175,999
Raised during the year	**-**	125,000	**-**	125,000
	300,999	300,999	**300,000**	300,000
- The loan payable to shareholders are unsecured, repayable at call and bear interest at the rate of **6.5%** (2017 – 6.5%) per annum.				
(c) Directors (Note 24)				
At 01 January	**52,768**	40,418	**52,768**	40,418
Raised during the year	**5,720**	14,836	**5,720**	14,836
Repaid during the year	**(5,350)**	(2,486)	**(5,350)**	(2,486)
	53,138	52,768	**53,138**	52,768
- The loan payable to directors are unsecured, repayable at call and bear interest at the rate of **5.35%** (2017 – 5.35%) per annum.				
(d) Subsidiaries (Note 24)				
Loan payable to subsidiaries	**-**	-	**2,958**	2,958

- The loan payable to subsidiaries are unsecured, repayable at call and bear interest at the rate of **6%** (2017 – ranging from 6% to 7%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018 (CONTINUED)

35 RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
(vi) Amounts due to:				
(a) Associates (Note 27)	**622**	1,139	**-**	-
(b) Directors (Note 27)	**1,317**	18,138	**1,317**	18,138
(c) Other related parties (Note 27)				
Entities significantly influenced by the Group	**46,420**	47,867	**670**	13,594
Other related entities	**1,836**	5,428	**1,018**	-
	48,256	53,295	**1,688**	13,594
(d) Shareholders (Note 27)	**1,864**	48	**1,655**	-

37 PARENT AND ULTIMATE PARENT

The directors regard Fakhary Limited, a company incorporated in Mauritius, as the Company's parent and ultimate controlling party.

38 INCORPORATION AND REGISTERED OFFICE

The Company is a private limited company incorporated and domiciled in Mauritius. The registered office and place of business of the Company is at 38, Royal Street, Port Louis.