ANAHITA ESTATES LIMITED

FINANCIAL STATEMENTS – YEAR ENDED

JUNE 30, 2017

ANAHITA ESTATES LIMITED

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Anahita Estates Limited ('the Company') is a private company limited by shares incorporated on August 19, 2004.

The main activity of the Company is that of the development of a world class integrated resort.

The Board of Directors is committed to the highest standard of business integrity, transparency and professionalism in all its activities and ensures that the activities within the Company are managed ethically and responsibly.

The Board confirms compliance with most of the disclosures required under the Code of Corporate Governance of Mauritius (the 'Code') issued by the National Committee on Corporate Governance established under the Financial Reporting Act 2004. Reasons for non-compliance to some sections of the Code have been disclosed.

Constitution

The Constitution of the Company, adopted upon incorporation, is in line with the Companies Act 2001. The main highlights of the Constitution are:

- The Chairman of a General Meeting shall not be entitled to a casting vote.
- The Constitution provides that the Board shall consist of not less than two (2) or more than eight (8) Directors.
- The quorum for a meeting of the Board shall be two.
- The Chairman of the Board Meeting shall not have a casting vote whilst every Director shall have one vote.

SHAREHOLDING

As at June 30, 2017 the stated capital of the Company was made up as follows:

- Rs 1,299,821,000/- divided into 172,840,490 Ordinary no par value shares; and
- Rs 100/- divided into 1 Preference share.

As at June 30, 2016, the shareholders of the Company were as follows:

Name of Shareholder	Class of Share	No. of shares held	Percentage Holding
Alteo Limited	Ordinary 172,	840,490	100%
	Preference 1		100%

During the year under review, an amount of MUR 473,698,000 of shareholders' loan was capitalised by the issue of 90,228,190 new Ordinary no par value shares to Alteo Limited in the Company,

The holding company, Alteo Limited, is quoted on the Official List of The Stock Exchange of Mauritius Ltd.

The shares of the Company are not quoted on any exchange market.

There is no ultimate holding company in the capital structure of the Company.

Common Directors

The names of the common Directors within the holding structure of the Company are as follows:

Directors of the Company	Anahita Estates Limited	Alteo Limited
M. P. G Jean Claude Béga	√	√
Jan Boullé	√	√
P. Arnaud Dalais	√	√
Jean-Pierre Dalais	√	√
Patrick G C de Labauve d'Arifat	√	√
Jérôme De Chasteauneuf -Alternate to Messrs. P. Arnaud Dalais and Jean-Pierre Dalais (appointed on 24.08.2016)	Alternate Director	√

Agreements

No significant agreement other than those contracted in the ordinary course of business has been entered into during the year under review.

There is no shareholders' agreement which affects the governance of the Company by the Board.

Dividend Policy

The Company has no formal dividend policy but has for objective to maximise the return of the shareholders. No dividend was paid during the year under review.

Board of Directors

The Board presently consists of five Directors of which, one is Executive and four are Non-Executive Directors and one Alternate Director.

At this stage, the Board feels that there is no need to appoint any additional Executive Director or any independent Director on the Board of the Company.

None of the Directors are nearing the statutory retirement age.

Directors' Profiles

Mr. Jean Claude Béga

Non-Executive Director – appointed to the Board on June 22, 2011 and Chairman on August 28, 2015

Born in 1963, Mr. Jean-Claude Béga is a Fellow of the Association of Chartered Certified Accountants. Mr. Jean-Claude Béga joined GML in 1997 and has been nominated as Group Head of Financial Services and Business Development of IBL Ltd on July 1, 2016. He is the Non-Executive Chairman of Anahita Estates Limited, Mauritian Eagle Insurance Company Limited, DTOS Ltd and of The Bee Equity Partners Ltd. He also serves as Non-Executive Director of a number of companies including Alteo Limited, Phoenix Beverages Limited, Lux Island Resorts Limited, AfrAsia Bank Limited and Anahita Residences & Villas Limited.

Directorship in companies listed on the Stock Exchange of Mauritius Ltd:

- Alteo Limited
- Lux* Island Resorts Ltd
- Mauritian Eagle Insurance Company Limited (Non-Executive Chairman)
- Phoenix Beverages Limited

- Phoenix Investment Company Limited
- The Bee Equity Partners Ltd (Non-Executive Chairman)

Mr. P. Arnaud Dalais
Non-Executive Director – appointed to the Board on August 19, 2004

Mr. P. Arnaud Dalais joined the CIEL Group in August 1977. Under his leadership, the CIEL Group at large has gone through an important growth both locally and internationally. He has played and continues to play an active role at the level of the Mauritian private sector and has assumed the Chairmanship of a number of organisations including the Joint Economic Council from 2000 to 2002 and Business Mauritius from 2015 to 2017. He was appointed Group Chairman of CIEL in 2010 and Chairman of CIEL Limited following the recent reorganization of the group in 2014. He is also the Chairman of Alteo Limited and CIEL Textile Limited.

Directorship in companies listed on the Stock Exchange of Mauritius Ltd:
- Alteo Limited (Chairman)
- CIEL Limited (Chairman)
- CIEL Textile Limited (Chairman)
- Sun Limited

Mr. Jan Boullé
Non-Executive Director – appointed to the Board on August 17, 2012

Mr. Jan Boullé is qualified as an « Ingénieur Statisticien Economiste » (France) and holds a « Diplôme de 3ème Cycle en Sciences Economiques » from Université Laval (Canada). He is the Non-Executive Chairman of IBL Ltd since July 1, 2016 and is also a member of the Board of Directors of several major companies of IBL Group. Prior to this nomination, he worked for Constance Group from 1984 to 2016 and occupied various executive positions and directorships. His latest position being Group Head of Projects and Development.

Directorship in companies listed on the Stock Exchange of Mauritius Ltd:
- Alteo Limited
- IBL Ltd
- Phoenix Beverages Limited
- The Bee Equity Partners Ltd.

Mr. Jean-Pierre Dalais
Non-Executive Director – appointed to the Board on August 19, 2004

With an MBA from The International University of America, Mr. Jean-Pierre Dalais acquired working experience from Arthur Andersen (Mauritius and France) before joining the CIEL Group. Jean-Pierre played an active role in the management and development of different group's clusters in Mauritius and internationally before being nominated Group Chief Executive of CIEL Limited on January 1, 2017.

Directorship in companies listed on the Stock Exchange of Mauritius Ltd:
- Alteo Limited
- CIEL Limited
- CIEL Textile Limited
- Phoenix Beverages Limited (Alternate Director)
- Sun Limited (Chairman)

Mr. Patrick de Labauve d'Arifat
Executive Director – appointed to the Board on August 19, 2004

Mr. Patrick de L. d'Arifat, born in 1958, holds a BSC degree in Economics and Accountancy from City University, London. He started his career with the Mauritius Chamber of Agriculture in 1982 and in 1991 he was appointed Director of the Mauritius Sugar Producers Association. He has chaired that same association for four years and that of the Mauritius Sugar Syndicate for two years. He joined CIEL Agro-industry as Chief Executive Officer in July 2001. Mr. Patrick de L. d'Arifat has, throughout those years, been closely associated with the policy formulation and implementation of the modernization process of the sugar industry in Mauritius and in the region. He is the Chief Executive Officer of Alteo Limited.

Directorships in companies listed on the Official Market of the Stock Exchange of Mauritius Ltd:
- Alteo Limited
- Constance La Gaieté Company Limited

Mr. Jérôme De Chasteauneuf
Alternate to Messrs. P. Arnaud Dalais and Jean-Pierre Dalais – appointed on August 24, 2016

Mr. Jérôme De Chasteauneuf is a Chartered Accountant of England and Wales and holds a BSc Honours in Economics from the London School of Economics and Political Science. He joined CIEL Group in 1993 as Corporate Finance Advisor and became Head of Finance of the CIEL Group in 2000. He has been closely involved with the corporate affairs of the CIEL Group together with the financial reengineering which accompanied its development over those years in office. He was nominated Group Finance Director on January 1, 2017.

Directorship in companies listed on the Stock Exchange of Mauritius Ltd:
- Alteo Limited
- CIEL Limited
- CIEL Textile Limited
- Harel Mallac & Co. Limited
- Sun Limited
- The Medical & Surgical Centre Limited

Board Attendance

During the period under review, the Board met four (4) times. The composition of the Board as well as attendance of the individual Directors at the Board meetings were as follows:

Directors	Board Meetings Attended
M. P. G Jean Claude Béga	4 out of 4
Jan Boullé	3 out of 4
P. Arnaud Dalais	3 out of 4
Jean Pierre Dalais	2 out of 4
Patrick G C de Labauve d'Arifat	4 out of 4
Jérôme De Chasteauneuf -Alternate to Messrs. P. Arnaud Dalais and Jean-Pierre Dalais (appointed on 24.08.2016)	2 out of 4

Remuneration of Directors

None of the Directors received any remuneration or benefits from the Company.

Directors' Service Contracts

None of the Directors have service contracts with the Company.

Directors' Interests in Shares

None of the Directors are shareholders of the Company.

Board Committees

At this stage, the Board feels that there is no need to set up separate Board Committees to debate on corporate governance, audit and risk issues since these issues are dealt with at the level of the holding company, Alteo Limited, which already has the following committees in place:

- Audit & Risk Committee; and
- Corporate Governance, Nomination, Remuneration and Ethics Committee.

Profile of Senior Management

Mr. Patrick de Labauve d'Arifat
Please refer to the Directors' Profiles section

Mr. Patrice Legris

Mr. Patrice Legris is the CEO of Alteo Properties Ltd. He was formerly CEO of l' AHRIM (Association des Hôteliers et Restaurateurs de l'île Maurice) and a former director of the Mauritius Sugar Producers Association. Mr. Legris holds a Masters in Economic and Social Administration from Sorbonne, Paris as well as a Diploma in Personnel Management from the University of Mauritius.

Risk Management and Internal control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company. The internal control system is independently monitored and supported by Ernst & Young, to which the internal audit function of the Alteo Group has been outsourced. The internal audit function reports to the Audit Committee of Alteo Limited.

Some of the prominent risks to which the Company is exposed are:

- Financial risks - comprise of market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as reported in note 3 of the Financial Statements. The Company uses forward contracts to mitigate foreign currency risks.
  Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping reliable credit lines available. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

- Operational risk - the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
  The Company's processes are periodically re-evaluated to ensure their effectiveness. Workers and managers at every level fulfill their respective roles to assure that the controls are maintained over time. The risk management process continues throughout the life cycle of the system, mission or activity.

- Compliance risk - the risk of not complying with laws, regulations and policies.

The operations of the Company are compliant with the Occupational, Safety and Health Act 2005. Furthermore, the Company has a commitment to the protection of the environment, the welfare of its employees and towards the society at large.

- Reputational risk - the risk of losses due to unintentional or negligent failure to meet a professional obligation to stakeholders.

  The Company's strong reputation revolves around effective communication and building solid relationships. Communication between the Company and its stakeholders has been the foundation for a strong reputation.

Related Party Transactions

Please refer to note 24 of the accounts.

Audit and Non-Audit Services

During the year under review, audit fee payable to BDO & Co amounted to Rs 145,000 (2016: Rs 140,000). No fee was paid in respect of non-audit services (2016: Rs 86,250)

Employee Share Option Plan

The Company does not have any Employee Share Option Plan.

Share Price Information

As the Company is not listed on the officialmarket, no information is available as to the share price information.

Social, Ethical, Safety, Health and Environmental Issues

These issues are dealt with at the level of the holding company, Alteo Limited.

Donations

During the year under review. the Company made donations of Rs 75,000 (2016: Rs 150,000).

Other Statutory Disclosures under the Companies Act 2001

As per a Shareholders' Resolution dated June 10, 2005, the Company need not comply with Sections 219 to 221 of the Companies Act 2001.

Important Events

Approval of accounts* by the shareholders	September 7, 2016
Financial year end	June 30, 2017

**Accounts for the year ended June 30, 2016.*

Appreciation

The Board expresses its appreciation and thanks to all those involved for their contribution during the year.

……………………………………..
Clothilde de Comarmond, ACIS
Per Ciel Corporate Services Limited
Company Secretary

Date:

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standard (IFRS);

(iii) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to.

(iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

ON BEHALF OF THE BOARD

…………………………. ………… ……………………..

Director Director

Date ……………………………

STATEMENT OF COMPLIANCE

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

Name of PIE: **Anahita Estates Limited (the 'PIE')**

Reporting Period: **Year ended June 30, 2017**

We, the Directors of Anahita Estates Limited, confirm that to the best of our knowledge, the PIE has not complied with sections 2.2.2, 2.2.3, 2.10.3 and 3.5.

Reasons for non-compliance are annexed to this statement.

SIGNED BY:

Name: ………………………………………. **Name: ……………………………………….**
Chairman Director

Dated this

Name of PIE: **Anahita Estates Limited (the 'PIE')**

Reporting Period: **Year ended June 30, 2017**

Reason for non-compliance with the section of the Code

1. Section 2.2.2 & 2.2.3 – Composition of the Board
The Board presently consists of one Executive and four Non-Executive Directors.

   At this stage, the Board feels that there is no need to appoint any additional Executive Director nor any independent Director on the Board of the Company.

2. Section 2.10.3 – Board and Director Appraisal
The Directors feel that the composition of the Board is stable and efficient in monitoring the affairs of the Company.

3. Section 3.5 – Board Committees
At this stage, the Board feels that there is no need to set up separate Board Committees to debate on corporate governance, audit and risk issues since these issues are dealt with at the level of the holding company, Alteo Limited, which already has the following committees in place:
   - Audit & Risk Committee; and
   - Corporate Governance, Nomination, Remuneration and Ethics Committee.

The Directors have pleasure in submitting the Annual Report of Anahita Estates Limited together with the audited financial statements for the year ended June 30, 2017.

All shareholders agree that the Annual Report need not comply with the paragraphs (a), and (d) to (i) of Section 221(1) of the Companies Act 2001.

BY ORDER OF THE BOARD

Secretary

Date:

SECRETARY'S CERTIFICATE - JUNE 30, 2017

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

Ciel Corporate Services Ltd
Company Secretary

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Anahita Estates Limited

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

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Anahita Estates Limited (the Company), on pages 4 to 25 which comprise the statement of financial position as at June 30, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 5 to 26 give a true and fair view of the financial position of the Company as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of Anahita Estates Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of Anahita Estates Limited

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

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

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

BDO & CO
Chartered Accountants

Port Louis,
Mauritius

Shabnam Peerbocus, F.C.A
Licensed by FRC

ANAHITA ESTATES LIMITED

STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2017

	Notes	2017	2016
ASSETS EMPLOYED		**Rs.**	Rs.
Non-current assets			
Property	5	**92,457,324**	92,457,324
Investment property	6	**9,790,676**	9,790,676
Land - projects	7	**157,423,810**	311,976,010
Deferred expenditure	8	**370,468,558**	487,176,038
Investment in subsidiary company	9	**637,216,035**	515,717,063
Non-current receivable	10	**-**	113,536,258
		1,267,356,403	1,530,653,369
Current assets			
Inventories	11	**411,193,480**	38,802,835
Trade and other receivables	12	**33,551,168**	174,704,605
Current tax assets	13	**1,437,717**	1,437,717
Cash and cash equivalents		**1,705,226**	15,336,637
		447,887,591	230,281,794
Total assets	Rs.	**1,715,243,994**	1,760,935,163
EQUITY AND LIABILITIES			
Shareholders' interest			
Share capital	14	**1,299,821,027**	826,123,000
Revenue deficit		**(412,585,358)**	(333,074,881)
Shareholder's loan	15	**-**	470,698,106
Shareholders' interest		**887,235,669**	963,746,225
Non-current liability			
Borrowings	16	**88,000,000**	235,073,500
Current liabilities			
Trade and other payables	17	**299,691,003**	125,065,580
Borrowings	16	**440,317,322**	437,049,858
		740,008,325	562,115,438
Total equity and liabilities	Rs.	**1,715,243,994**	1,760,935,163

The financial statements have been approved for issue by the Board of Directors on:

)
) DIRECTORS
)

The notes on pages 9 to 26 form an integral part of these financial statements.
Auditors' report on pages 4 to 4(b).

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2017

	Notes	2017	2016
		Rs.	Rs.
Turnover	2(g)	**394,800,081**	927,965,132
Earnings before interest and taxation	18	**(41,387,516)**	18,297,260
Net finance costs	20	**(38,122,961)**	(39,609,401)
Loss for the year		**(79,510,477)**	(21,312,141)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year	Rs.	**(79,510,477)**	(21,312,141)

The notes on pages 9 to 26 form an integral part of these financial statements.
Auditors' report on pages 4 to 4(b).

ANAHITA ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2017

		Share Capital	Revenue Deficit	Shareholder's Loan	Total
		Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2016		826,123,000	(333,074,881)	470,698,106	963,746,225
Addition		-	-	2,999,921	2,999,921
Conversion of shareholders' loan into share capital		473,698,027	-	(473,698,027)	-
Loss for the year		-	(79,510,477)	-	(79,510,477)
Balance at June 30, 2017	Rs.	**1,299,821,027**	**(412,585,358)**	**-**	**887,235,669**
Balance at July 1, 2015		826,123,100	(311,762,740)	470,698,106	985,058,466
Transfer to holding company		(100)	-	-	(100)
Loss for the year		-	(21,312,141)	-	(21,312,141)
Balance at June 30, 2016	Rs.	**826,123,000**	**(333,074,881)**	**470,698,106**	**963,746,225**

The notes on pages 9 to 26 form an integral part of these financial statements.

Auditors' report on pages 4 to 4(b).

STATEMENTS OF CASH FLOW - YEAR ENDED JUNE 30, 2017

		2017	2016
		Rs.	Rs.
Loss before taxation		**(79,510,477)**	(21,312,141)
Adjustments for:			
Interest income		**(649,555)**	(483,395)
Interest paid		**46,161,560**	43,703,461
Write back of preference shares		**-**	(100)
Amortisation of inventories and deferred expenditure		**403,859,189**	857,181,629
Changes in working capital :			
- Trade and other receivables		**140,340,721**	(171,782,981)
- Trade and other payables		**174,625,423**	46,808,449
Cash generated from operations		**684,826,861**	754,114,922
Operating activities:			
Additional expenses on inventories and deferred expenditure		**(504,990,154)**	(784,027,503)
Interest received		**649,555**	483,395
Interest paid		**(46,161,560)**	(43,703,461)
Net cash from/(used in) operating activities		**134,324,702**	(73,132,647)
Cash flows from investing activities			
Loan granted to subsidiary		**(5,250,000)**	(15,750,000)
Acquisition of investment in subsidiary company		**(1,900,000)**	-
Net cash used in investing activities		**(7,150,000)**	(15,750,000)
Cash flows from financing activities			
Payments on long-term borrowings		**(178,898,528)**	(152,803,498)
Proceeds from long-term borrowings		**-**	25,000,000
Loan from holding company		**2,999,921**	-
Net cash used in financing activities		**(175,898,607)**	(127,803,498)
Decrease in cash and cash equivalents		**(48,723,905)**	(216,686,145)
Movement in cash and cash equivalents			
At July 1,		**(246,968,719)**	(31,679,074)
Decrease		**(48,723,905)**	(216,686,145)
Effect of changes in exchange rates		**(531,486)**	1,396,500
At June 30,	Rs.	**(296,224,110)**	(246,968,719)
Cash and cash equivalents			
Cash at bank and in hand		**1,705,226**	15,336,637
Bank overdrafts		**(297,348,191)**	(260,154,889)
Loan at call from holding company		**(581,145)**	(2,150,467)
Cash and cash equivalents	Rs.	**(296,224,110)**	(246,968,719)

The notes on pages 9 to 26 form an integral part of these financial statements.
Auditors' report on pages 4 to 4(b).

1. COMPANY PROFILE

Anahita Estates Ltd is a private company with limited liability incorporated and domiciled in Mauritius. The main activity of the Company is the development of a World Class Integrated Resort. Its registered address is Vivea Business Park, St Pierre, Mauritius. Its direct and ultimate holding company is Alteo Limited.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards(IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities (‘regulatory deferral accounts’). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Company’s financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Company’s financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Company’s financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Company's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Company's financial statements.

- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Company's financial statements.

- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Company's financial statements.

- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements to IFRSs 2012-2014 cycle (cont'd)

- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Company's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2017 or later periods, but which the Company has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

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

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contract with Customers
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Amendments to IAS 7 Statement of Cash Flows
Clarifications to IFRS 15 Revenue from Contracts with Customers
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
Annual Improvements to IFRSs 2014-2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments

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

(b) Property

Property is stated at historical cost less depreciation.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(b) Property (cont'd)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property are determined by comparing proceeds with carrying amount and are included in profit or loss.

(c) Investment property

Investment property represents land leased out under operating lease to Anahita Residences and Villas Limited.

Investment property, held to earn rentals, is carried at cost. The Directors estimate its cost to reflect its fair value.

Land is not depreciated.

(d) Financial instruments

Financial assets and liabilities are recognised on the company's statement of financial position when the company has become a party to the contractual provisions of the instruments. The company's accounting policies in respect of the main financial instruments are set out below:

(i) Trade and other payables

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

(ii) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

(iii) Trade receivables

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

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. The amount of provision is recognised in the statement of comprehensive income.

(iv) Long term receivable

Long term receivable with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of the estimated cash flows discounted using the original effective interest rate. The amount of loss is recognised in profit or loss. If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value (PV) of estimated cash flows discounted at the current market rate of return of similar financial assets.

(v) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

(e) Deferred expenditure

Expenditure relating to Integrated Resort Scheme (IRS) projects has been deferred so as to match against future revenue from the sale of "IRS" residences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment in subsidiary

Separate financial statements of the investor

Investment in subsidiary company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of the investments.

Consolidated financial statements

Anahita Estates Limited is dispensed from presenting consolidated financial statements since it is a wholly owned subsidiary of Alteo Limited which is incorporated in Mauritius and provides consolidated financial statements.

(g) Turnover

Turnover consists of revenue from sale of IRS residences, net of rebates and discounts.

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

(h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(i) Foreign currencies

Foreign currencies transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Such balances are translated at year end exchange rate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Real estate contracts

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract (or by reference to surveys of work performed or completion of a physical proportion the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

(k) Inventories/Work in progress

Work in progress relates to construction, land expense cost incurred in respect of IRS Residences. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including:

• Credit risk;
• Foreign exchange risk;
• Interest rate risk; and
• Market risk
• Liquidity risk

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Company's management based on prior year experience and the current economic development.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by the debtors.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures, primarily with respect to Euros and Dollars. The Company uses forward contracts to hedge its exposure to foreign currency risk in the local reporting currency.

At June 30, 2017, if the rupee had weakened/strengthened by 5% against the Euro, US dollar, GB pound and South African Rand with all other variables held constant, post-tax profit for the year would have been Rs.6,269,514 (2016: Rs.6,459,579) higher/lower, mainly as a result of foreign exchange gains/ losses on translation of Euro, GB Pound, South African Rand and US dollar denominated borrowings and banks.

Interest rate risk

The Company's operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

Interest rate risk (cont'd)

At June 30, 2017 and June 30, 2016, if interest rates on borrowings had been 10 basis points higher/ lower with all other variables held constant post-tax profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Rupee-denominated borrowings	**2017**	2016
	Rs'000	Rs'000
Effect higher/lower on post tax profit	**359**	390

Other currencies -denominated borrowings	**2017**	2016
	Rs'000	Rs'000
Effect higher/lower on post tax profit	**102**	50

Market risk

The Company's revenue is highly dependent on successful marketing strategies and the ability to reach clients in a selected market.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

The table below analyses the Company's financial liabilities based on the remaining period at the end of reporting period:

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At June 30, 2017	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Bank loans	**142,388**	**88,000**	**-**	**-**
Bank overdraft	**297,348**	**-**	**-**	**-**
Loan at call	**581**			
Trade and other payables	**299,691**	**-**	**-**	**-**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2016	Rs'000	Rs'000	Rs'000	Rs'000
Bank loans	174,745	235,074	-	-
Bank overdraft	260,155	-	-	-
Loan at call	2,150	-	-	-
Trade and other payables	125,066	-	-	-

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash eqivalents. Adjusted capital comprises all components of equity (ie share capital, shareholders' loan and revenue deficit).

The debt-to-adjusted capital ratios at June 30, 2017 and at June 30, 2016 were as follows:

	June 30, 2017	June 30, 2016
	Rs'000	Rs'000
Total debt	**528,317**	672,123
Less: cash in hand and at bank	**(1,705)**	(15,337)
Net debt	**526,612**	656,786
Adjusted capital	**887,236**	963,746
Debt-to-adjusted capital ratio	**0.59**	0.68

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

(b) Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

(c) Foreseeable losses

In accordance with the accounting policy when it is probable that the total contract cost will exceed total contract revenue, management makes its best forecast of such costs and the total expected loss on the contract is recognised as an expense immediately.

(d) Provision for maintenance on contracts

As the contract progresses, a provision for maintenance is made to be used during the defects liability period. Such a provision is assessed by management and is based on the risk element of individual contract.

5. PROPERTY

		2017	2016
		Rs.	Rs.
Freehold land			
COST			
At July 1 & June 30,	Rs.	**92,457,324**	92,457,324

Bank borrowings are secured on the assets of the Company including property (note 16).

6. INVESTMENT PROPERTY

		2017	2016
		Rs.	Rs.
COST			
(a) At July 1 & June 30,	Rs.	**9,790,676**	9,790,676

The directors estimate its cost to reflect its fair value.

(b) The following amounts have been recognised in the statement of profit or loss:

		2017	2016
		Rs.	Rs.
Rental income	Rs.	**1,138,350**	1,138,350

No direct operating expenses, arising from investment property that generate rental income, were incurred during the year.

Bank borrowings are secured on the assets of the company including investment property (note 16).

7. LAND-PROJECTS

		2017	2016
		Rs.	Rs.
At July 1,	Rs.	**311,976,010**	311,976,010
Transfer to inventories		**(154,552,200)**	-
At June 30,		**157,423,810**	311,976,010

Land-projects represents land earmarked for the "IRS" residences.
Bank borrowings are secured on the assets of the company including land-projects (note 16).

8. DEFERRED EXPENDITURE

Deferred expenditure relates to expenses in respect of the master plan, work in progress, design and construction of the residences under the Integrated Resort Scheme (IRS).

		2017	2016
		Rs.	Rs.
At July 1,		**487,176,038**	422,761,695
Additions		**149,820,397**	153,150,347
Transfer to cost of sales and inventories		**(266,527,877)**	(88,736,004)
At June 30,	Rs.	**370,468,558**	487,176,038

9. INVESTMENT IN SUBSIDIARY COMPANY

		2017	2016
		Rs.	Rs.
COST			
At July 1,		**515,717,063**	515,717,063
Tranfer from non-current receivable (note 10)		**119,598,972**	-
Addition		**1,900,000**	-
At June 30,	Rs.	**637,216,035**	515,717,063

Details of the subsidiary company are given below:

Name	Year end	% holding Direct	Country of incorporation and operation	Activity
2017				
Anahita Golf Limited	**June 30,**	**87.77%**	**Mauritius**	**Golf Resort**
2016				
Anahita Golf Limited	June 30,	75%	Mauritius	Golf Resort

Anahita Estates Limited is dispensed from presenting consolidated financial statements since it is a wholly owned subsidiary of Alteo Limited which is incorporated in Mauritius and provides consolidated financial statements.

10. NON-CURRENT RECEIVABLE

		2017	2016
		Rs.	Rs.
At July 1,		**113,536,258**	**113,536,258**
Addition		**5,250,000**	-
Transfer from current receivable from holding company		**812,714**	-
Transfer to investment in subsidiary company (note 9)		**(119,598,972)**	-
	Rs.	**-**	**113,536,258**

The loan to subsidiary has been converted to share capital at June 30, 2017.

11. INVENTORIES

		2017	2016
		Rs.	Rs.
Work in progress	Rs.	**411,193,480**	38,802,835

The cost of inventories recognised as expense and included in cost of sales amounted to Rs.249,818,141 (2016: Rs.768,445,625).

Bank loans are secured by floating charges on the assets of the Company including inventories (note 16).

12. TRADE AND OTHER RECEIVABLES

		2017	2016
		Rs.	Rs.
Trade receivables		**26,514,739**	171,804,133
Other receivables		**7,036,429**	2,900,472
	Rs.	**33,551,168**	174,704,605

13. INCOME TAX

		2017	2016
		Rs.	Rs.
<u>Statement of financial position</u>			
At July 1, and June 30,	Rs.	**1,437,717**	1,437,717

At the end of reporting period, the company had unused tax losses of Rs.356,657,987 (2016: Rs.354,722,128) available for offset against future profits for which no deferred tax asset has been recognised due to unpredictability of future profit streams.

14. SHARE CAPITAL

	2017		2016	
	Number of Ordinary Shares	**Rs.**	Number of Ordinary Shares	Rs.
At July 1,	**82,612,300**	**826,123,000**	82,612,300	826,123,000
Additions	**90,228,190**	**473,698,027**	-	-
At June 30,	**172,840,490**	**1,299,821,027**	82,612,300	826,123,000

All authorised and issued shares are at no par value and fully paid.

15. SHAREHOLDER'S LOAN

		2017	2016
		Rs.	Rs.
At July 1		**470,698,106**	470,698,106
Receipts from holding company		**2,999,921**	-
Conversion of shareholders' loan into share capital (note 14)		**(473,698,027)**	-
At June 30,	Rs.	**-**	470,698,106

Shareholders' loans are interest free and have no fixed repayment terms.

16. BORROWINGS

		2017	2016
		Rs.	Rs.
Current			
Bank loans		**142,387,986**	174,744,502
Bank overdraft		**297,348,191**	260,154,889
Loan at call (note 16(b))		**581,145**	2,150,467
		440,317,322	437,049,858
Non-current			
Bank loans		**88,000,000**	235,073,500
Total borrowings	Rs.	**528,317,322**	672,123,358

(a) Bank borrowings are secured by floating charges on the assets of the company and bear interest rate of 4.25% - 8.25% p.a.

(b) Loan at call is from holding company and the interest rate at June 30, 2017 stood at 5.5% (2016: 5.5%) per annum.

(c) The maturity of bank loans is as follows:

	2017	2016
	Rs.	Rs.
Not later than one year	**142,387,986**	174,744,502
After one year and before two years	**88,000,000**	235,073,500
	230,387,986	409,818,002

(d) The carrying amounts of the Company's bank loans are denominated in the following currencies:

	2017	2016
	Rs.	Rs.
MUR	**206,612,500**	359,600,002
USD	**23,775,486**	50,218,000
	230,387,986	409,818,002

17. TRADE AND OTHER PAYABLES

		2017	2016
		Rs.	Rs.
Trade payables		**262,456,189**	75,146,311
Amount payable to group companies		**2,812,123**	327,833
Other payables		**34,422,691**	49,591,436
	Rs.	**299,691,003**	125,065,580

The carrying amounts of trade and other payables approximate their fair values.

18. EARNINGS BEFORE INTEREST AND TAXATION

		2017	2016
Earnings before interest and taxation is determined as follows:		**Rs.**	Rs.
Turnover (note 2(g))		**394,800,081**	927,965,132
Cost of sales		**(440,282,695)**	(910,522,361)
Other income (note 19)		**6,582,192**	5,666,525
Administrative expenses		**(2,487,094)**	(4,812,036)
	Rs.	**(41,387,516)**	18,297,260

19. OTHER INCOME

		2017	2016
		Rs.	Rs.
Rental income		**5,806,156**	5,106,126
Interest income		**649,555**	483,395
Other income		**126,481**	77,004
	Rs.	**6,582,192**	5,666,525

20. NET FINANCE COSTS

		2017	2016
		Rs.	Rs.
Interest expense:			
- Bank loans		**25,048,360**	35,611,120
- Bank overdrafts		**9,092,113**	6,735,859
- Swaps		**5,467,524**	1,356,482
- Others		**6,553,563**	-
		46,161,560	43,703,461
Net foreign exchange gains		**(8,038,599)**	(4,094,060)
	Rs.	**38,122,961**	39,609,401

21. BANK GUARANTEES

		2017	2016
		Rs.	Rs.
Guarantees given to third parties	Rs.	**255,235,240**	344,365,556

22. CAPITAL COMMITMENTS

		2017	2016
		Rs.	Rs.
In respect of construction of villas	Rs.	**553,000,000**	375,000,000

23. CONTINGENT LIABILITY

The Mauritius Revenue Authority (MRA) has a claim against the Company regarding taxation unpaid on deemed interest on the long term loan receivable from its subsidiary, Anahita Golf Ltd for the years 2007 to 2010 to which Anahita Estates Ltd is not agreeable. The claim against the Company, including penalty charges, amounts to Rs.20,403,833. The case is still pending as at date.

24. **RELATED PARTY TRANSACTIONS**

	Purchase of goods or services		Rental income		Development fees		Loan payable to related party (note 22(a))		Loan receivable from related party (note 22(b))		Amount receivable from related company		Amount payable to related company	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Enterprises that have a number of key management/ directors in common	**40,396,753**	89,788,799	**5,806,156**	5,106,126	**27,600,000**	27,600,000	**-**	-	**-**	-	**3,859,063**	61,760,556	**1,492,544**	327,733
Holding company	**-**	2,086,956	**-**	-	**-**	-	**-**	470,698,106	**-**	-	**-**	-	**1,120,928**	100
Subsidiary company	**399,046**	1,205,455		-	**-**	-	**-**	-	**-**	113,536,258	**790,256**	12,377	**198,651**	-