

**PRIME PARTNERS LTD**

FINANCIAL STATEMENTS – YEAR ENDED

DECEMBER 31, 2016

**PRIME PARTNERS LTD**

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**ANNUAL REPORT - YEAR ENDED DECEMBER 31, 2016**

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The directors have the pleasure in submitting the Annual Report of Prime Partners Ltd ("the Company") together with the audited financial statements for the year ended December 31, 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company is that of providing secretarial, registry and other administrative services.

**REVIEW OF THE BUSINESS**

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year to come.

**DIRECTORS OF THE COMPANY**

The directors of the Company for the year under review and the subsequent appointment are as follows:-

<b>Prime Partners Ltd</b>		<b>Date of appointment</b>
Mr. A.Y.Nakhuda	Director	11 May 2015
	Chairman	11 May 2015
Mrs. B. Veerasamy	Director	22 March 2006
Mr Christophe Stephane Brette	Director	22 March 2006

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

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the results of its operations and cash flows for that year. 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 confirm that they have complied with the above requirements in preparing the financial statements.

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

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 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the foreseeable future.

## ANNUAL REPORT - YEAR ENDED DECEMBER 31, 2016

**DIRECTORS' SERVICE CONTRACTS**

None of the Directors proposed for re-election at the forthcoming annual meeting have unexpired service contracts.

**DIRECTORS' INTEREST IN SHARES**

There were no Directors' share interests in the Company.

**DIRECTORS' REMUNERATION**

Remuneration and benefits received, or due and receivable from the Company:

	2016 Rs.	2015 Rs.
Executive directors	-	-
- Full-time	-	-
- Part-time	-	-
Non-executive directors	1,237,228	1,507,048
	Rs. <u>1,237,228</u>	<u>1,507,048</u>

There were no remuneration of directors from other related corporations.

**CONTRACTS OF SIGNIFICANCE**

There were no contracts of significance subsisting during the period to which the Company is a party and in which a Director is or was materially interested, either directly or indirectly.

**DONATIONS**

The Company did not make any donations during the year.

**AUDITORS' FEES**

The fees (exclusive of VAT) paid to the auditors for audit and other services were:

	2016 Rs.	2015 Rs.
Audit fees	57,000	54,000
Other services	-	-
	Rs. <u>57,000</u>	<u>54,000</u>

**COMPANY SECRETARY**

Mr Gopal Bullyraz is the secretary of the Company.

Approved by the Board of Directors on ..... 29 JUN 2017 .....  
and signed on its behalf by:

*Marchand*

*Blessam*

Date:

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2016

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I hereby 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 by the Company under Section 166(d) of the Companies Act 2001 for the year ended December 31, 2016.



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Gopal Bullyraz  
COMPANY SECRETARY

Date: 29 JUN 2017

## STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2016

	Notes	2016 Rs.	2015 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	5	135,599	161,185
Intangible assets	6	705,337	878,258
Investment in associate	7	346,092	593,458
Available-for-sale investments	8	274,150	269,000
Other financial assets	9	197,881	472,121
Deferred tax assets	10	9,956	85,104
		<u>1,669,015</u>	<u>2,459,126</u>
<b>Current assets</b>			
Other financial assets	9	318,997	313,002
Trade and other receivables	11	3,503,919	3,735,711
Cash and cash equivalents	12	6,424,891	4,301,923
		<u>10,247,807</u>	<u>8,350,636</u>
<b>Total assets</b>		Rs. <u>11,916,822</u>	<u>10,809,762</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves (attributable to owners of the parent)</b>			
Stated capital	13	1,000,000	1,000,000
Fair value reserve		35,702	30,552
Retained earnings		9,828,573	8,389,304
<b>Owners' interest</b>		<u>10,864,275</u>	<u>9,419,856</u>
<b>Current liabilities</b>			
Trade and other payables	14	921,056	1,389,906
Current tax liabilities	15	131,491	-
		<u>1,052,547</u>	<u>1,389,906</u>
<b>Total equity and liabilities</b>		Rs. <u>11,916,822</u>	<u>10,809,762</u>

These financial statements have been approved for issue by the Board of Directors on ..... **29 JUN 2017**

)  
) DIRECTORS  
)

Amalendu  
Name

Prasanna

\_\_\_\_\_  
Name

The notes on pages 8 to 28 form an integral part of these financial statements.  
Auditor's report on pages 3 to 3(b).



## PRIME PARTNERS LTD

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### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Prime Partners Ltd

This report is made solely to the members of Prime Partners Ltd (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 Prime Partners Ltd (the Company), on pages 4 to 28 which comprise the statement of financial position as at December 31, 2016, 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 4 to 28 give a true and fair view of the financial position of the Company as at December 31, 2016, 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.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## **PRIME PARTNERS LTD**

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### **INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Shareholders of Prime Partners Ltd

#### **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.

#### **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.





**PRIME PARTNERS LTD**

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**INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Shareholders of Prime Partners Ltd

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- 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.

**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 and dealings in the ordinary course of business.

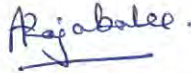
We have obtained all information and explanations we have required.

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

Port Louis,  
Mauritius

29 JUN 2017

  
**BDO & Co**  
*Chartered Accountants*

  
**Azize Rajabalee, FCCA**  
Licensed by FRC

## STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2016

	<u>Notes</u>	<u>2016</u> Rs.	<u>2015</u> Rs.
Revenue	2.15	12,218,584	10,507,621
Other income	16	<u>333,785</u>	<u>161,328</u>
<b>Total income</b>		<b>12,552,369</b>	<b>10,668,949</b>
Administrative expenses	17	<u>(10,685,141)</u>	<u>(10,492,800)</u>
<b>Operating profit</b>		<b>1,867,228</b>	<b>176,149</b>
Finance income	18	<u>26,046</u>	<u>87,359</u>
<b>Profit before tax</b>		<b>1,893,274</b>	<b>263,508</b>
Share of results of associate	7	<u>(247,366)</u>	<u>21,506</u>
Income tax	15	<u>(206,639)</u>	<u>(54,622)</u>
<b>Profit for the year</b>		<b><u>1,439,269</u></b>	<b><u>230,392</u></b>
<b>Other comprehensive income:</b>			
Fair value gain/ (loss) on available-for-sale investments	8	<u>5,150</u>	<u>(97,500)</u>
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b><u>5,150</u></b>	<b><u>(97,500)</u></b>
<b>Total comprehensive income for the year</b>	Rs.	<b><u>1,444,419</u></b>	<b><u>132,892</u></b>

The notes on pages 8 to 28 form an integral part of these financial statements.  
Auditor's report on pages 3 to 3(b).

## STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2016

		Stated capital	Fair value reserve	Revenue deficit	Total
		Rs.	Rs.	Rs.	Rs.
At January 1, 2016		<u>1,000,000</u>	<u>30,552</u>	<u>8,389,304</u>	<u>9,419,856</u>
Profit for the year		-	-	1,439,269	1,439,269
Other comprehensive income for the year		-	5,150	-	5,150
Total comprehensive income for the year		<u>-</u>	<u>5,150</u>	<u>1,439,269</u>	<u>1,444,419</u>
<b>At December 31, 2016</b>	<b>Rs.</b>	<b><u>1,000,000</u></b>	<b><u>35,702</u></b>	<b><u>9,828,573</u></b>	<b><u>10,864,275</u></b>
At January 1, 2015		<u>1,000,000</u>	<u>128,052</u>	<u>8,158,912</u>	<u>9,286,964</u>
Profit for the year		-	-	230,392	230,392
Other comprehensive income for the year		-	(97,500)	-	(97,500)
Total comprehensive income for the year		<u>-</u>	<u>(97,500)</u>	<u>230,392</u>	<u>132,892</u>
<b>At December 31, 2015</b>	<b>Rs.</b>	<b><u>1,000,000</u></b>	<b><u>30,552</u></b>	<b><u>8,389,304</u></b>	<b><u>9,419,856</u></b>

The notes on pages 8 to 28 form an integral part of these financial statements.  
Auditor's report on pages 3 to 3(b).

## STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2016

	Notes	2016 Rs.	2015 Rs.
<b>Cash flows from operating activities</b>			
Profit/ (loss) before tax and share of profit from associate		1,893,274	263,508
Depreciation of plant and equipment	5	68,686	106,696
Amortisation of intangibles	6	305,041	282,642
Dividend income	18	(7,230)	(4,700)
Interest income	18	(18,816)	(82,659)
		<u>2,240,955</u>	<u>565,487</u>
<i>Changes in working capital:</i>			
- trade and other receivables		231,792	(74,515)
- trade and other payables		<u>(468,850)</u>	<u>(29,648)</u>
<b>Cash generated from operations</b>		2,003,897	461,324
Interest received		18,816	82,659
Income tax refund	15	-	33,408
<b>Net cash generated from operating activities</b>		<u>2,022,713</u>	<u>577,391</u>
<b>Cash flows from investing activities</b>			
Purchase of equipment	5	(43,100)	(14,290)
Purchase of computer software	6	(132,120)	(129,600)
Other financial assets		268,245	368,101
Dividends received		7,230	4,700
<b>Net cash from investing activities</b>		<u>100,255</u>	<u>228,911</u>
<b>Net increase in cash and cash equivalents</b>		Rs. <u>2,122,968</u>	<u>806,302</u>
<b>Movement in cash and cash equivalents</b>			
At January 1,		4,301,923	3,495,621
Net increase in cash and cash equivalents		<u>2,122,968</u>	<u>806,302</u>
<b>At December 31,</b>	12	Rs. <u>6,424,891</u>	<u>4,301,923</u>

The notes on pages 8 to 28 form an integral part of these financial statements.  
Auditor's report on pages 3 to 3(b).



NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**1. GENERAL INFORMATION**

Prime Partners Ltd is a private limited liability company incorporated and domiciled in Mauritius. The address of the registered office of the Company and of the holding company is situated on the 15th Floor, Air Mauritius Centre, John Kennedy Street, Port Louis.

The principal activity of the Company is involved in the provision of secretarial, registry, and other administrative services.

These 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of Prime Partners Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statement have been prepared under the historical cost convention except that available-for-sale investments are stated at fair value. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

These financial statements are those of an individual entity. The financial statements are presented in Mauritian Rupees.

***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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**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)*

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.

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 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.

## 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 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**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)

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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 disclosed in Note 4.

**2.2 Plant and equipment**

All plant and equipment is initially recorded at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of assets over their estimated useful life as follows:

Furniture and fitting	10 years
Equipment	5 years
Computer equipment	4 years



NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.2 Plant and equipment (cont'd)**

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

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

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

**2.3 Intangible assets****(i) Computer software**

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives of 5 years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

**2.4 Investments in associate**

An associate is an entity over which the Company has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method except when classified as held-for-sale (see below). Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Company's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Company's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Company's share of the associate's profit or loss.

When the Company's share of losses exceeds its interest in an associate, the Company discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Investments in associate (cont'd)

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Company.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

### 2.5 Financial assets

#### *Categories of financial assets*

The Company classifies its financial assets in the following categories: Loans and receivables and available-for-sale financial assets.

#### (i) 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Company's loans and receivables comprise cash and cash equivalents, trade and other receivables and non-current receivable.

#### (ii) Available-for-sale financial assets

Available-for-sale financial assets 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 management intends to dispose of the investment within twelve months after the end of the reporting period.

#### *Initial measurement*

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

#### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.5 Financial assets (cont'd)****(ii) Available-for-sale financial assets (cont'd)***Subsequent measurement*

Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

The fair values of quoted investments are based on 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 and reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

*Impairment of financial assets*

The Company assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If the fair value of a previously impaired debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

**2.6 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 profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

### 2.8 Trade and other payables

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

### 2.9 Share capital

Ordinary shares are classified as equity.

### 2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### 2.11 Current and deferred income tax

#### *Current tax*

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

#### *Deferred tax*

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. If the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.12 Foreign currencies

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

### 2.13 Impairment of non-financial assets

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

### 2.14 Retirement benefit obligations

*Defined contribution plans*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company 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.

### 2.15 Revenue recognition

Revenue comprises the fair value for the sale of services, net of value-added tax, rebates and discounts. Sales of services are recognised in the accounting year in which the services are rendered.

Brokerage income is recognised at the date when a trade has materialised.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.15 Revenue recognition (cont'd)**

Other revenue earned is recognised on the following basis:

- Interest income - as it accrues unless collectibility is in doubt.
- Commission income - as it accrues unless collectibility is in doubt.

**2.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**3. FINANCIAL RISK MANAGEMENT****3.1 Financial risk factors**

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

- Market risk (including cash flow interest risk and fair value interest risk and price risk);
- Credit risk; and
- Liquidity risk

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

**(a) Market risk****(i) Cash flow and fair value interest rate risk**

At 31 December 2016, if interest rate on rupee-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, the effect on post-tax profit for the year would not be significant.

**(ii) Price risk**

The Company's exposure to equity price risks arising on equity investments is not material. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**(b) 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 experience and the current economic environment. 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.

**(c) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, 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.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
<b>At December 31, 2016</b>				
Bank overdraft	159,296	-	-	-
Trade and other payables	921,056	-	-	-
<b>Rs.</b>	<b>1,080,352</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At December 31, 2015</b>				
Bank overdraft	218,807	-	-	-
Trade and other payables	1,389,906	-	-	-
<b>Rs.</b>	<b>1,608,713</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.2 Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealers quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis and last traded price are used to determine fair value for the remaining financial instruments.

### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.3 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 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, or sell assets to reduce debt.

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 equivalents. Adjusted capital comprises all components of equity (i.e, share capital, and retained earnings).

The company is not exposed to capital risk.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

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**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.

**4.1 Critical accounting estimates and assumptions**

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 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Impairment of available-for-sale financial assets**

The Company follow the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

5. PLANT AND EQUIPMENT		Furniture & Fittings	Office Equipment	Computer Equipment	Total
<u>2016</u>		Rs.	Rs.	Rs.	Rs.
(a) COST					
At January 1,		2,130,838	786,623	3,680,107	6,597,568
Additions		-	35,300	7,800	43,100
At December 31,		<u>2,130,838</u>	<u>821,923</u>	<u>3,687,907</u>	<u>6,640,668</u>
DEPRECIATION					
At January 1,		2,130,838	777,748	3,527,797	6,436,383
Charge for the year		-	7,310	61,376	68,686
At December 31,		<u>2,130,838</u>	<u>785,058</u>	<u>3,589,173</u>	<u>6,505,069</u>
NET BOOK VALUES					
At December 31,		<u>-</u>	<u>36,865</u>	<u>98,734</u>	<u>135,599</u>
<u>2015</u>					
(b) COST					
At January 1,		2,130,838	786,623	3,665,817	6,583,278
Additions		-	-	14,290	14,290
At December 31,		<u>2,130,838</u>	<u>786,623</u>	<u>3,680,107</u>	<u>6,597,568</u>
DEPRECIATION					
At January 1,		2,110,199	770,943	3,448,545	6,329,687
Charge for the year		20,639	6,805	79,252	106,696
At December 31,		<u>2,130,838</u>	<u>777,748</u>	<u>3,527,797</u>	<u>6,436,383</u>
NET BOOK VALUES					
At December 31,		<u>-</u>	<u>8,875</u>	<u>152,310</u>	<u>161,185</u>
6. INTANGIBLE ASSETS				COMPUTER SOFTWARE	
				2016	2015
				Rs.	Rs.
COST					
At January 1,				1,197,800	1,068,200
Additions				132,120	129,600
At December 31,				<u>1,329,920</u>	<u>1,197,800</u>
AMORTISATION					
At January 1,				319,542	36,900
Charge for the year				305,041	282,642
At December 31,				<u>624,583</u>	<u>319,542</u>
NET BOOK VALUES					
At December 31,				Rs. <u>705,337</u>	<u>878,258</u>



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

## 7. INVESTMENT IN ASSOCIATE

At January 1,  
Share of result in associate  
At December 31,

	2016	2015
	Rs.	Rs.
	593,458	571,952
	(247,366)	21,506
	Rs. 346,092	593,458

Class of shares held	Nominal Value	% Holding	Country of incorporation	Activity
Ordinary	600,000	20%	Mauritius	Stock Broking

Prime Securities

Summarised financial information in respect of associates is set out below :

Name	Current assets Rs.	Non current assets Rs.	Current liabilities Rs.	Non-current liabilities Rs.	Profit or loss Rs.	Other comprehensive income Rs.	Total other comprehensive income Rs.
(a) Prime Securities 2016	1,610,799	1,591,654	819,463	652,531	(1,246,513)	2,625	(1,243,888)
2015	2,833,146	1,549,904	850,510	565,251	134,778	(27,250)	107,528
(b) Prime Securities 2016	Opening net assets Rs. 2,974,347	Profit or loss for the year Rs. (1,246,513)	Other comprehensive income Rs. 2,625	Closing net assets Rs. 1,730,459	Ownership income Rs. 20%	Interest in associates Rs. 346,092	
2015	2,859,761	134,778	(27,250)	2,967,289	20%	598,453	

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

8. AVAILABLE-FOR-SALE INVESTMENTS	2016	2015
	Rs.	Rs.
<b>LEVEL 1</b>		
At January 1,	269,000	366,500
Decrease/(increase) in fair value	5,150	(97,500)
At December 31,	Rs. 274,150	269,000

The fair value of quoted available-for-sale securities is based on the SEM market quoted prices at the close of business at the end of the reporting date.

**Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value grouped into Level 1 to 3 based on the degree to which the fair value is observable.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Available-for-sale financial assets include listed equity securities at fair value and are denominated in Rupees.

None of the financial assets are either past due or impaired.

9. OTHER FINANCIAL ASSETS	2016	2015
	Rs.	Rs.
<b>Current</b>		
Loan to employees	83,240	77,245
Grants to employees	235,757	235,757
	318,997	313,002
<b>Non-current</b>		
Loan to employees	144,267	375,650
Grants to employees	53,614	96,471
	197,881	472,121
<b>Total</b>	Rs. 516,878	785,123

The grants on non-refundable advances provided by the Company to employees as per the terms stipulated in the existing contracts.

The Company has provided loans to its employees as per the terms stipulated in the existing contracts.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

## 10. DEFERRED TAX ASSETS

	2016	2015
	Rs.	Rs.
At January 1,	(85,104)	(139,726)
Movement	75,148	54,622
At December 31,	Rs. (9,956)	(85,104)

Deferred income tax is calculated on all temporary differences under the liability method at 15% (December 31, 2015: 15%).

Deferred income tax at December 31, 2016 related to the following:

	Statement of financial position		Statement of comprehensive income	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Accelerated tax depreciation	(9,956)	(85,104)	(75,148)	(54,622)

## 11. TRADE AND OTHER RECEIVABLES

	2016	2015
	Rs.	Rs.
Trade receivables		
- non-group receivables	959,488	2,630,969
- holding company	55,000	32,000
- fellow subsidiaries	2,196,630	1,119,388
- other related companies	286,925	669,611
	3,498,043	4,451,968
Less provision for impairment	(51,560)	(760,375)
	3,446,483	3,691,593
Other receivables and prepayments	57,436	44,118
	Rs. 3,503,919	3,735,711

(a) The carrying amount of trade and other receivables approximate their fair value.

(b) As of December 31, 2016, trade receivables were tested for impairment. The amount of provision was Rs.51,560 for 2016 and Rs.760,375 for 2015. The individually impaired receivables mainly relate to customers who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is within 60 days.

(c) Movements in provision for impairment of trade and other receivables are as follows:

	2016	2015
	Rs.	Rs.
At January 1,	760,375	1,538,049
Unused amounts reversed	-	(777,674)
(Decrease)/Increase in provision	(708,815)	-
At December 31,	51,560	760,375

(d) The carrying amounts of the Company's trade and other receivables are denominated in Rupees.

(e) The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

## 12. CASH AND CASH EQUIVALENTS

For purpose of the statements of cash flow, cash and cash equivalents comprise the following at December 31:

	2016	2015
	Rs.	Rs.
Cash in hand and at bank	6,584,187	4,520,730
Bank overdraft (note (a) )	(159,296)	(218,807)
	<u>6,424,891</u>	<u>4,301,923</u>

- (a) The bank overdraft is a book overdraft.
- (b) Prime Partners Ltd holds an SBM bank account on behalf of Air Mauritius Ltd for dividend payment. This account is off the book of Prime Partners Ltd.

## 15. INCOME TAX

- (a) In the statement of financial position:

	2016	2015
	Rs.	Rs.
At January 1,	-	(33,408)
Tax refund	-	33,408
Income tax charge at 15%	131,491	-
	<u>Rs. 131,491</u>	<u>-</u>

- (b) The major components of income tax expense for the years ended December 31, 2016 and December 31, 2015 are:

	2016	2015
	Rs.	Rs.
<b>Current income taxes</b>		
Income tax charge at 15%	131,491	-
<b>Deferred taxes</b>		
Relating to origination and reversal of temporary differences	75,148	54,622
Income tax expense reported in the statement of profit or loss and other comprehensive income	<u>Rs. 206,639</u>	<u>54,622</u>

- (c) A reconciliation between tax expense and the product of accounting profit multiplied by the domestic rate for the year ended December, 31, 2016 and for the year ended December 31, 2015 is as follows:

	2016	2015
	Rs.	Rs.
Profit before tax and share of profit of associate	1,893,274	263,508
Income tax rate at 15%	283,991	39,526
Exempt income	(190,528)	(62,549)
Non-deductible expenses	113,176	77,645
	<u>Rs. 206,639</u>	<u>54,622</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

<b>13. STATED CAPITAL</b>	<b>No of shares</b>	<b>Amount</b>
		Rs.
<i>Authorised, issued and fully paid</i>		
100,000 Ordinary share of Rs. 10 each	100,000	1,000,000
<b>14. TRADE AND OTHER PAYABLES</b>	<b>2016</b>	<b>2015</b>
	Rs.	Rs.
Trade payables	145,145	198,796
Other payables	775,911	1,191,110
Rs.	921,056	1,389,906
The carrying amounts of trade and other payables approximate their fair value.		
Amount payable to ultimate holding company is interest free, unsecured and repayable on demand.		
<b>16. OTHER INCOME</b>	<b>2016</b>	<b>2015</b>
	Rs.	Rs.
Other income	Rs. 333,785	161,328
<b>17. EXPENSES BY NATURE</b>	<b>2016</b>	<b>2015</b>
	Rs.	Rs.
Staff cost (note (i) below)	8,635,305	8,639,413
Others	2,049,836	1,853,387
Rs.	10,685,141	10,492,800
(i) Staff cost is analysed as follows:	<b>2016</b>	<b>2015</b>
	Rs.	Rs.
Salaries and wages	8,169,969	8,163,557
Pension and other costs	465,336	475,856
Rs.	8,635,305	8,639,413
<b>18. FINANCE INCOME</b>	<b>2016</b>	<b>2015</b>
	Rs.	Rs.
Interest income on bank accounts	18,816	82,659
Dividend income	7,230	4,700
Rs.	26,046	87,359
<b>19. HOLDING COMPANY</b>		

The directors consider The State Investment Corporation Ltd, incorporated in Mauritius, as the holding company.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

## 20. RELATED PARTY DISCLOSURES

	2016			2015		
	Sales of services		Amount receivable	Sales of services		Amount receivable
	Rs.	Rs.		Rs.	Rs.	Rs.
Directors and key management personnel	-	1,237,228	-	-	1,507,048	-
Holding company		-	55,000	240,000	-	32,000
Fellow subsidiaries		-	2,196,630	3,275,800	-	1,119,388
Associates of the group		-	286,925	1,662,038	-	669,611

The above transactions have been made at arm's length, on normal course of business.

- (a) Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. There has been no guarantees provided for any related party payables.
- (b) There has been no guarantees provided or received for any related party receivables and payables.
- (c) For the year ended 2016, the company has not recorded any impairment of receivables relating to amounts owed by related parties (2015 : nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party

## 21. EVENT AFTER THE REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended December 31, 2016.