UBP

The United Basalt Products Ltd.

ANNUAL REPORT 2014

CONTENTS

Dear Shareholder,

The Board of Directors is pleased to present to you the Annual Report of The United Basalt Products Ltd ("UBP") for the year ended June 30, 2014, the contents of which are listed hereafter.

This report was approved by the Board of Directors on September 25, 2014.

Marc Freismuth
Chairman

Jean Michel Giraud
Chief Executive Officer

AUGUST 2014

Launch of the new Light Block, a bottomless block, lighter to transport and easier to lay for the builder.

The United Basalt Products Ltd.

NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of The United Basalt Products Ltd will be held at the registered office of the Company, Trianon, Quatre Bornes, on Wednesday December 17, 2014 at 15.00 hours to transact the following business in the manner required for the passing of Ordinary Resolutions:

1. To consider the Annual Report 2014 of the Company.

2. To receive the report of the Auditors of the Company for the year ended June 30, 2014.

3. To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2014.

4. To re-elect as Director of the Company, Mr E. Jean Mamet, aged above 70, who offers himself for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting in accordance with Section138(6) of the Companies Act 2001.

5 - 13 To re-elect as Directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting:

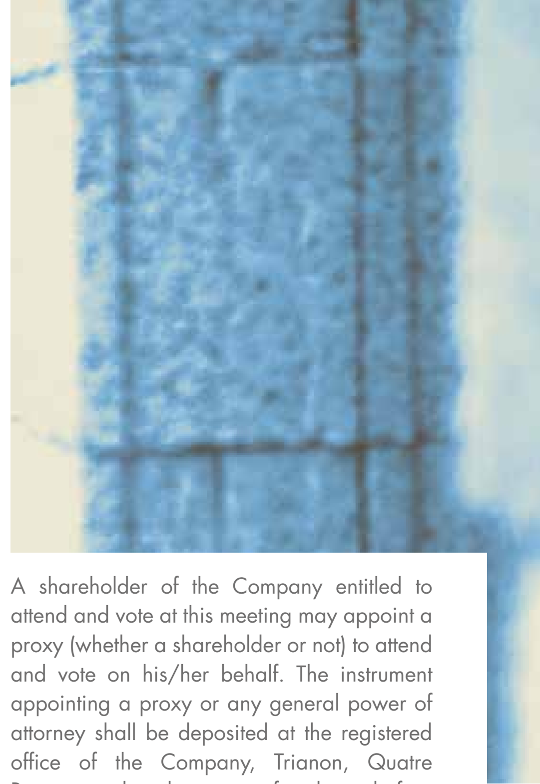
5. Mr Marc Freismuth
6. Mr François Boullé
7. Mr Jean Michel Giraud
8. Mr Joël Harel
9. Mr Laurent de la Hogue
10. Mr Arnaud Lagesse
11. Mr Stéphane Lagesse
12. Mr Thierry Lagesse
13. Mr Jean Claude Maingard

14. To appoint the Auditors of the Company for the year ending June 30, 2015 and to authorise the Board of Directors to fix their remuneration.

By order of the Board

Christophe Quevauvilliers
Company Secretary

September 25, 2013



A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a shareholder or not) to attend and vote on his/her behalf. The instrument appointing a proxy or any general power of attorney shall be deposited at the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four hours before the time fixed for the holding of the meeting or else the instrument of proxy shall not be treated as valid.

A proxy form is included for this purpose at the end of the Annual Report.

For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at November 17, 2014.

The minutes of proceedings of the preceding Annual Meeting held on December 17, 2013 are available for consultation by the shareholders during office hours at the registered office of the Company.

MANAGEMENT AND ADMINISTRATION

MANAGEMENT TEAM

Jean Michel Giraud	Chief Executive Officer
Stéphane Ulcoq	Deputy CEO and Production Manager
Rémi de Gersigny	Project and Business Development Manager
Christophe Quevauvilliers	Group Finance Manager and Company Secretary
Laurent Béga	Group Engineering Manager
Caroline Tyack	Group Communication and Marketing Manager
Jerome Fabre	Group Human Resources Manager
Dwight Hamilton	Group IT Manager
Jocelyne L'Arrogant	Group Procurement and Logistics Manager
Fabien Harel	Sales Manager
Dhuenesh Rambarassah	Financial Controller
Francis Koenig	Quarry and Field Manager
Bernard Lagesse	Manager – Marbella Division
Raoul Maurel	Manager – PPB Division
Edley Michaud	Personnel Manager
Jean Philippe Henry	General Manager – Espace Maison Ltée
Christopher Blackburn	General Manager – Compagnie de Gros Cailloux Ltée
Jean Claude Bellepeau	General Manager – Dry Mixed Products Ltd

LEGAL FORM

The United Basalt Products Ltd is a public company incorporated in Mauritius in July 1953 and listed on the Official Market of the Stock Exchange of Mauritius since 1989.

HEAD OFFICE

Trianon, Quatre Bornes – Mauritius
Tel. : (230) 454 1964
Fax : (230) 454 8043
Email : info@ubpgroup.com
Website : www.ubpgroup.com

REGISTERED OFFICE

Trianon, Quatre Bornes – Mauritius

COMPANY SECRETARY

Christophe Quevauvilliers F.C.C.A.

AUDITORS

Ernst & Young

BANKERS

AfrAsia Bank Ltd
Barclays Bank Mauritius Ltd
HSBC (Mauritius) Ltd
State Bank of Mauritius Ltd
The Mauritius Commercial Bank Ltd

BOARD OF DIRECTORS AND BOARD COMMITTEES

BOARD OF DIRECTORS

Marc Freismuth - Chairman
François Boullé
Jean Michel Giraud – Chief Executive Officer (CEO)
Joël Harel
Laurent de la Hogue
Arnaud Lagesse
Stéphane Lagesse
Thierry Lagesse
Jean Claude Maingard
E. Jean Mamet

BOARD COMMITTEES

CORPORATE GOVERNANCE COMMITTEE

Joël Harel - Chairman
Marc Freismuth
Thierry Lagesse

AUDIT COMMITTEE

E. Jean Mamet - Chairman
François Boullé
Joël Harel

COMPANY SECRETARY

Christophe Quevauvilliers F.C.C.A.

DIRECTORS'
PROFILES

1. MARC FREISMUTH - CHAIRMAN

Mr Marc Freismuth was appointed Director of the Company in March 2006 and Chairman of the Board in August 2013. Born in France in 1952, Mr Freismuth holds a 'Diplôme d'Etudes Supérieures de Sciences Economiques' from the University of Panthéon-Sorbonne (Paris). He has been lecturer at the University of Montpellier up to July 1988 when he decided to join the University of Mauritius as lecturer in management and finance up to July 1994. Whilst at this position, Mr Freismuth has contributed to the setting up of the Stock Exchange of Mauritius as consultant to the 'Stock Exchange Commission' and member of the 'Listing Committee'. Mr Freismuth is currently self-employed as consultant in management and finance. Member of the MIoD, he is the Chairman of GML Management Ltée and sits as independent Director on the Board of several public companies.

2. FRANÇOIS BOULLÉ

Mr François Boullé was appointed alternate Director to late Mr Jacques Lagesse in 1998 and full-fledged Director of the Company in May 2004. Born in 1948, Mr Boullé holds a degree from the 'Institut d'Etudes Politiques de Paris' (Sciences Po – Section Economique et Financière). He is currently the Managing Director of Suchem Ltd, a company specialised in importation and distribution of industrial chemicals, textile auxiliaries, plastic raw-materials, pesticides and sprayers for agriculture. Since October 2013, Mr Boullé is also the Managing Director of Archemics Ltd, distributor of consumer goods - adhesives, cosmetics and detergents as agent of Henkel Germany - and of industrial products - cleaning, pools, laundry and textile chemicals - to hotels, restaurants and to the textile industry.

3. JEAN MICHEL GIRAUD - CEO

Mr Jean Michel Giraud joined the Company in 1974 and became General Manager in 1984 succeeding his father at this position. He was appointed Managing Director in November 2004 and Chief Executive Officer in January 2012. Born in1950, Mr Giraud is the Chairman of Dry Mixed Products Ltd and sits on the Board of several companies within the Group. He is an ex-President of the Mauritius Turf Club and of the Mauritius Tennis Federation.

4. JOËL HAREL

Mr Joël Harel was appointed alternate Director to Mr Jean Raymond Harel in May 2004 and became full-fledged Director of the Company with effect from July 1, 2006. Born in 1967, Mr Harel holds a National Higher Diploma in Mechanical Engineering from Cape Technikon in Cape Town. He is currently the Projects Manager at Emineo Ltd, a company involved in the engineering and the realisation of projects, locally and overseas, mainly in the sugar cane sector and its associated by-products. Mr Harel is the Chairman of the Company's Corporate Governance Committee and is also a Director of Filature de Riche Terre Ltée, a non-listed company.

5. LAURENT DE LA HOGUE

Mr Laurent de la Hogue was appointed Director of the Company in December 2011. Born in 1975, Mr de la Hogue holds a Master degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' in Paris, France. He joined GML in 2001 as Treasurer for the setting up of the central treasury unit before becoming Finance Executive - Corporate & Treasury for GML Management Ltée in April 2011. Mr de la Hogue is actually the Chairman of GML Trésorerie Ltée and is also Director of a number of organisations such as Abax Holding Ltd, Lux* Island Resorts Ltd and Espace Maison Ltée, amongst others.

6. ARNAUD LAGESSE

Mr Arnaud Lagesse was appointed alternate Director to Mr J. Cyril Lagesse in March 1994 and became full-fledged Director of the Company on August 25, 2011. Born in 1968, Mr Lagesse holds a 'Maîtrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of the 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD Fontainebleau, France and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. Mr Lagesse joined GML in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairman of Alteo Limited, Ireland Blyth Limited, BlueLife Limited, Lux* Island Resorts Ltd, AfrAsia Bank Limited inter alia. Mr Lagesse is an ex-President of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. He is also the Chairman of GML Fondation Joseph Lagesse since July 2012.

7. STÉPHANE LAGESSE

Mr Stéphane Lagesse was appointed Director of the Company in November 2011. Born in 1959, Mr Lagesse holds a degree in 'Gestion des Entreprises' from the University of Parix IX Dauphine. He joined the Palmar Group in 1983 where he is currently the Managing Director. Mr Lagesse participated in the setting up of two garment manufacturing companies in Mauritius.

8. THIERRY LAGESSE

Mr Thierry Lagesse was appointed Director of the Company in December 1989 and subsequently Chairman of the Board in December 2002 until August 13, 2013 when he decided to step down from the Chairmanship of the Company. Born in 1953, Mr Lagesse holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the Non-Executive Chairman of GML until recently and is Director of several other companies listed on the Stock Exchange of Mauritius. He is also the Executive Chairman and founder of Palmar Group of Companies and the Executive Chairman of Parabole Réunion SA. Mr Lagesse is a member of the Company's Corporate Governance, Nomination and Remuneration Committee.

9. JEAN CLAUDE MAINGARD

Mr Jean Claude Maingard was appointed Director of the Company in November 2007 in replacement of Mr Jean Paul Adam. Born in 1946, Mr Maingard holds a Diploma in Quantity Surveying from the University of Cape Town and is a member of the Royal Institute of Chartered Surveyors (M.R.I.C.S.). In 1972, he joined General Construction Co.Ltd, a well-known firm of building and civil engineering contractors operating in Mauritius and was appointed Executive Director in 1986 and Managing Director from 1998 to 2006. Mr Maingard is since the Chairman of the company.

10. E. JEAN MAMET

Mr E Jean Mamet was appointed Director of the Company in November 2004 and is currently the Chairman of the Audit Committee. Born in 1943, Mr Mamet is a Certified Accountant and has been in practice for forty-three years involved in auditing and consulting services up to 2003 when he retired as Managing Partner of Ernst & Young Mauritius. He is the ex - Vice Chairman of The Mauritius Commercial Bank Ltd and sits on the board of a few other companies.

SENIOR OFFICERS' PROFILES

STÉPHANE ULCOQ

Mr Stéphane Ulcoq, born in 1977, holds a 'Diplôme d'Ingénieur en Mécanique' from the 'Institut National des Sciences Appliquées' (INSA) of Rouen, France and an 'MBA International Paris' from the Paris Dauphine & La Sorbonne Universities. He also holds a Certificate in Global Management awarded by INSEAD after having completed three Executive Education Programs at INSEAD Fontainebleau, France and INSEAD Singapore in 2011 and 2012. Mr Ulcoq joined the Company as Assistant Works Manager in year 2000 and was promoted Workshop Manager in 2007. In January 2012, Mr Ulcoq was promoted to the post of Production Manager where he is since in charge of all production units, both in Mauritius and overseas. In addition to his responsibilities as Production Manager, Mr Ulcoq was appointed Deputy CEO by the Board of Directors in December 2012.

RÉMI DE GERSIGNY

Mr Rémi de Gersigny, born in 1953, joined the Company as supervisor in 1978 and was promoted to the post of Plant Manager in 1981. In the early nineties, he was appointed Area Manager of the western and central regions where he was in charge of three crushing plants. In 2004, Mr de Gersigny was promoted to the post of Operations and Project Manager where he was in charge of all operational matters for our plants in Mauritius and overseas. In January 2012, he was promoted to the post of Project and Business Development Manager.

CHRISTOPHE QUEVAUVILLIERS

Mr Christophe Quevauvilliers, born in 1968, is a Fellow member of the Association of Chartered Certified Accountants. In 2013 - 2014 he completed a General Management Program delivered by the ESSEC (Ecole Supèrieure des Sciences Economiques et Commerciales) Business School. He joined the Group as Finance Manager and Company Secretary in May 2002 after having spent ten years in public practice at De Chazal Du Mée and four years in the industrial sector. Mr Quevauvilliers also sits on the Board of several companies within the Group.

LAURENT BÉGA

Mr Laurent Béga, born in 1979, holds a BSc in Mechanical Engineering from the University of Cape Town (SA) and an MBA from the University of Surrey (UK). He worked in heavy machinery maintenance at the Construction and Materials Handling department (CMH) of IBL Ltd, now known as CMH Ltd, before moving into heavy machinery engineering at Forges Tardieu Ltd, involved in the sugar cane industry. He then moved to Emineo Ltd where he was involved in engineering design and project realisation for the sugar cane industry, mostly on the African continent. In May 2014, Mr Béga joined the Company as Group Engineering Manager where he is since responsible for all engineering services, supplies and projects, both in Mauritius and overseas.

CAROLINE TYACK

Mrs Caroline Tyack, born in 1979, holds a 'Diplôme d'Etudes Approfondies' (DEA) en 'Veilles et Intelligence Compétitive' from the 'Université Paul Valéry', Montpellier, France. She joined the Company as Communication Manager in January 2005 after having followed a crash course in 'Administration et Gestion du Personnel' at CNAM (Conservatoire National des Arts et Métiers) Montpellier, France. In November 2006, Mrs Tyack was promoted to the post of Group Communication and Marketing Manager where she is since responsible for all communication and marketing matters relevant to the Group. She is also responsible for developing the CSR strategies for the Group.

JEROME FABRE

Mr Jerome Fabre, born in 1974, has more than ten years' experience at senior management level in strategic HR and organizational development both in European multinational companies and in Mauritius. He has worked in different economic sectors namely for consultancy companies in Europe, a research institution in France and in several industries namely service, hospitality, manufacturing, trade, agriculture, food, IT, security and training amongst others. In Mauritius, Mr Fabre was successively Head of HR for the Ciel Textile Group and Group HR Operations Manager whilst also leading the security function of Food and Allied Group over the past seven years. He obtained an academic scholarship which brought him to a Master Degree in Industrial Sociology and Labour Economics (France) in year 2000. As a certified Psychometric Analyst, Mr Fabre likes sharing experience and knowledge in international conferences, writing articles and coaching.

FABIEN HAREL

Mr Fabien Harel, born in 1981, holds a 'Maitrise en Science Economique et Sociale' from the University of Toulouse 1 and an 'MBA International de Paris' from the Paris Dauphine & La Sorbonne Universities. He joined the Group in August 2005 as Shop Manager of Espace Maison Ltée. In 2009 he moved to UBP as Property Development Manager until July 2011 when he was appointed Area Manager of the northern region in charge of two crushing plants and one sales 'dépôt'. In 2012 he was promoted to the post of Sales Manager where he is since responsible for the sales strategy and customer care of the core business activities whilst still being in charge of all properties within the Group.

DHUENESH RAMBARASSAH

Mr Dhuenesh Rambarassah, born in 1976, is a Fellow member of the Association of Chartered Certified Accountants and holder of an MBA with a specialisation in strategic planning from Edinburg Business School of Scotland. He joined the Company as Financial Accountant in February 2006 after having spent more than eight years successively in the Audit and Assurance department of Ernst & Young and De Chazal Du Mée where he was involved in the audit of several of the major companies in Mauritius. In July 2013, Mr Rambarassah was designated Financial Controller of the majority of companies within the Group.

DWIGHT HAMILTON

Mr Dwight Hamilton, born in 1974, holds a Professional Graduate Diploma in Information Technology (National Council for Vocational Qualification, NCVQ). He joined the Company as System's Coordinator in year 2004 where he was responsible for the implementation of the ERP for the Group. In 2011, he was promoted to the post of IT Manager for the Group.

JOCELYNE L'ARROGANT

Ms Jocelyne L'Arrogant, born in 1969, holds a diploma in Management (Financial Management) from the University of Mauritius. She joined the Company as Accounts Officer in 1989 and was given the responsibility of the Import & Logistic department of Espace Maison Ltée and the Procurement department of the UBP Group in 2002. Ms L'Arrogant was promoted to the post of Group Logistic & Procurement Manager in 2011.

FRANCIS KOENIG

Mr Francis Koenig, born in 1957, joined the Company in 1981 and was in charge of Stone Utilities Ltd. In 1981, he was promoted to the post of Plant Manager for Terre Rouge, Roche Bois and Coromandel plants. After two years at this position, he was promoted to the post of Area Manager for the northern region until 1991 where he moved to the southern region. In February 2012, he was promoted to the post of Quarry and Field Manager where he is now in charge of our Land Reclamation Unit involved in quarrying operations and the supply of raw materials to the majority of our production sites.

BERNARD LAGESSE

Mr Bernard Lagesse, born in 1951, joined the Company in 1984 as Maintenance Officer in charge of all the buildings of the Company. In 1985, he was promoted to the post of Manager of Marbella Ltd, a company engaged in the import and sale of marble and ceramic tiles. In July 1995, Mr Lagesse was appointed Manager of UBP - Marbella Division where he is since responsible of the production of precast products, concrete pipes, roof tiles and rustic pavements.

RAOUL MAUREL

Mr Raoul Maurel, born in 1948, holds a Diploma in Civil Engineering from the Natal Technikon (S.A) and is a member of the S.A Institute of Civil Engineers. He also holds a Diploma in Business Management and has been an affiliate member of the S.A Institute of Management. During his career he worked in civil engineering consulting firms both in South Africa and Mauritius, where he joined Sigma Ove Arup in 1974. In 1982 he joined Pre-mixed Concrete Ltd as Manager before leaving for South Africa where he joined the LTA group, as manager of Steeledale FBE, launching the Natal branch specializing in the manufacture of precast beam decking systems. Back in Mauritius in 1989, he created his own company selling precast beam decking systems in close collaboration with UBP which he consequently joined as Manager of the PPB Division since its inception in 1990. Mr Maurel is presently director of the Green Building Council of Mauritius (GBCM), a non-profit organization aiming for the promotion of sustainable building technologies.

EDLEY MICHAUD

Mr Edley Michaud, born in 1951, holds a Certificate in Personnel Management and Industrial Relations, a Diploma in Occupational Safety & Health from the National College of Industrial Hygiene (Australia) and is a Fellow of the British Safety Council. He is also a registered Safety Officer under the Occupational Safety & Health Act. He joined the Company as Production Supervisor in 1973 and became Personnel Manager in July 1987. Mr Michaud is closely involved in all safety and health regulations within the Group.

JEAN PHILIPPE HENRY

Mr Jean Philippe Henry, born in 1973, holds a National Diploma in Management from the Natal Technikon Institute, South-Africa and is a graduate of the Chartered Institute of Secretaries (CIS). In 2013-2014 he completed a General Management Program delivered by the ESSEC (Ecole Supèrieure des Sciences Economiques et Commerciales) Business School. Mr Henry joined Espace Maison Ltée as Assistant Shop Manager in 2003 after having worked successively at Price Waterhouse Coopers Ltd, World Knits Ltd and Naïade Resorts Ltd. In 2005 he was promoted Purchasing Manager and thereafter General Manager in 2009.

CHRISTOPHER BLACKBURN

Mr Christopher Blackburn, born in 1969, holds a 'Brevet de Technicien Agricole' with a specialisation in 'Jardin Espace Vert' (France) and a Diploma in Marketing from Australia. He is actually completing a Bcom Management & Marketing from Curtin University, Australia. Mr Blackburn worked as General Manager of the Landscaping & Nursery department at Médine Ltd before joining the Group as General Manager of Compagnie de Gros Cailloux Ltée in May 2012.

JEAN CLAUDE BELLEPEAU

Mr Jean Claude Bellepeau, born in 1963, holds a 'Diplôme d'Ingénieur Chimiste' from EHICS, Strasbourg, France. After having spent 10 years in the textile and industrial chemicals in Mauritius, he joined the Lafarge Group to launch the cement terminal in Mayotte. He then joined Pre-mixed Concrete Ltd as Operations Manager in 2003 and was promoted General Manager of Pre-mixed Concrete Ltd and Dry Mixed Products Ltd in 2008. In 2011, further to the reorganisation of these two companies, Mr Bellepeau directed the integration of Dry Mixed Products Ltd into the UBP Group and is henceforth the General Manager of the company.

GROUP SHAREHOLDING STRUCTURE

THE UNITED BASALT PRODUCT LTD
SUBSIDIARIES

- 100% Espace Maison Ltée
- 100% Compagnie de Gros Cailloux Ltée
- 100% Société d'investissement Rodriguais
  - 75.9% Welcome Industries Ltd
- 100% UBP International Ltd
  - 100% UBP Madagascar
  - 77% United Granite Product (Pvt) Ltd
    - 100% DHK Metal Crusher (Pvt) Ltd
    - 100% Sheffield Trading (Pvt) Ltd
- 76.5% Ste Marie Crushing Plant Ltd
  - 100% Société des Petits Cailloux
- 51% Dry Mixed Products Ltd
- 100% Land Reclamation Ltd
- 100% Stone and Bricks Co. Ltd
- 100% The Stone Masters Co. Ltd
- 100% Pricom Ltd

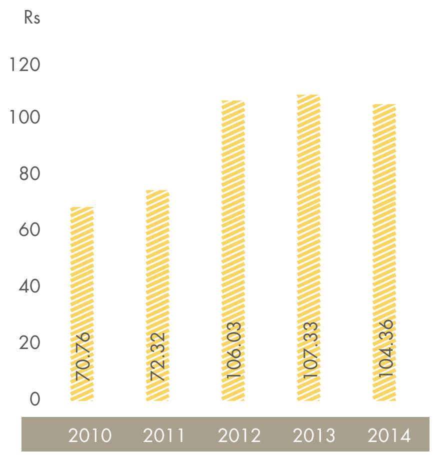
THE UNITED BASALT PRODUCTS LTD
ASSOCIATES

- 46% Terrarock Ltd
- 34% Prochimad Mines et Carrières SARL*
- 49% Pre-mixed Concrete Ltd
- 25% Sud Concassage Ltée
- 25% Cement Transport Ltd
- 20% Compagnie Mauricienne D'Entreprise Ltée
- 30% Compagnie des Transport Réunis

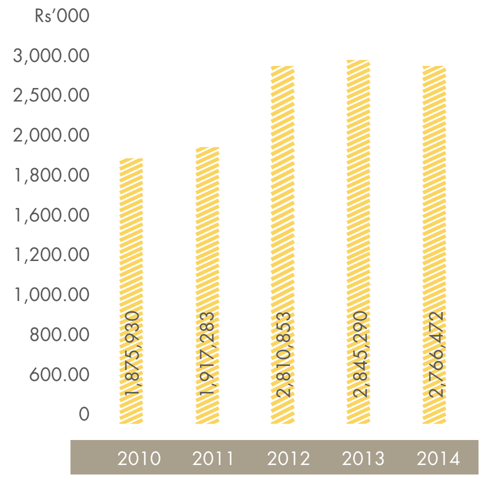
■ Operational ■ Dormant

* Via UBP Madagascar

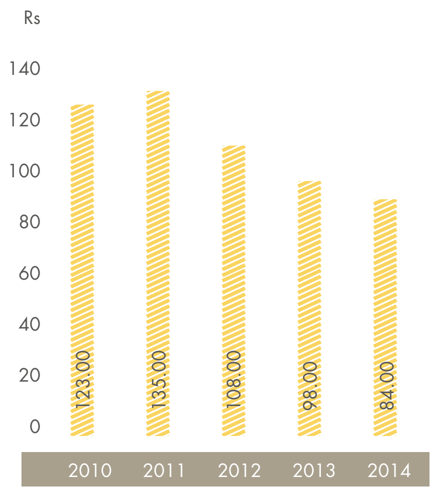
FINANCIAL
HIGHLIGHTS AND RATIOS



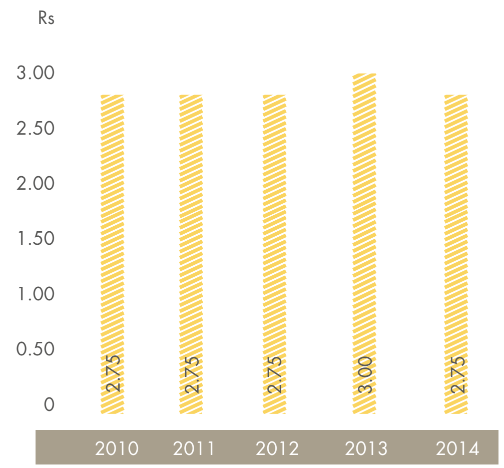
NET ASSETS PER SHARE



SHAREHOLDERS' FUND



SHARE PRICE



DIVIDEND PER SHARE

Note 1: Figures of Net Assets Value Per Share, Shareholders' Equity and Earnings Per Share for year 2010 have been adjusted to reflect the bonus issue of shares dated September 2010.

Note 2 : Figures of Net Assets Value Per Share, Shareholders' Equity and Earnings Per Share for years 2012 and 2013 have been adjusted to reflect the effect of adopting IAS 19 (note 2.4).

Statement of Profit or Loss and Other Comprehensive Income

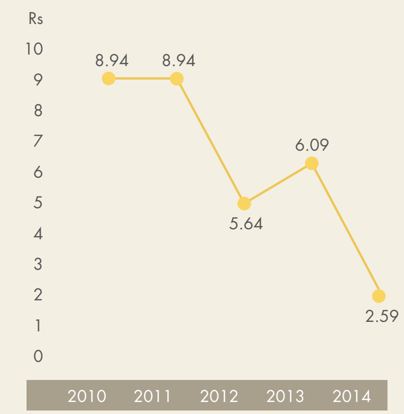
	THE GROUP	
		Restated *
	June 30, 2014 Rs' 000	June 30, 2013 Rs' 000
Revenue	2,362,562	2,443,424
EBITDA	392,861	473,623
Depreciation and amortisation	(203,999)	(216,369)
Operating profit	188,862	257,254
Net finance costs	(80,851)	(70,694)
Share of results of associates	12,664	36,092
Profit before tax	120,675	222,652
Income tax expense	(26,483)	(43,685)
Profit for the year	94,192	178,967
Non-controlling interests	(25,505)	(17,412)
Profit for the year attributable to equity holders of the parent	68,687	161,555
	Rs	Rs
Earnings per share		
Basic , profit for the year attributable to ordinary equity holders of the parent.	2.59	6.09
Dividend per share	2.75	3.00

Statement of Financial Position

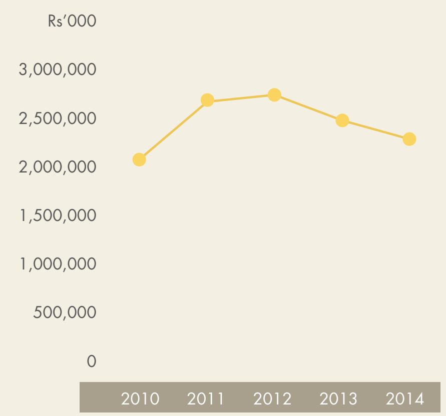
	THE GROUP	
		Restated *
	June 30, 2014 Rs' 000	June 30, 2013 Rs' 000
Total assets	4,505,592	4,558,519
Interest-bearing loans and borrowings	1,040,075	1,024,227
Borrowings excluding bank overdrafts	791,911	779,201
Equity attributable to shareholder of the parent	2,766,472	2,845,290
	Rs	Rs
Net assets value per share	104.36	107.33

Financial Ratios	2014	2013
Operating margin - %	7.99	10.52
Interest cover - times	2.10	3.37
Dividend cover - times	0.94	2.03
Return on equity - %	2.48	5.68
Return on assets - %	1.52	3.54
Debt to equity - times	0.37	0.35

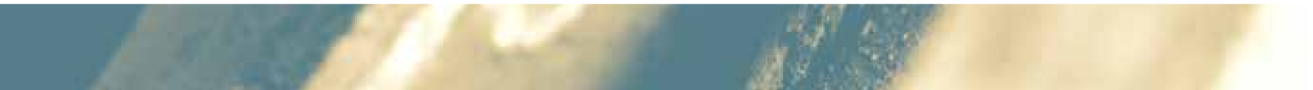
* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 2.4.



EARNINGS PER SHARE



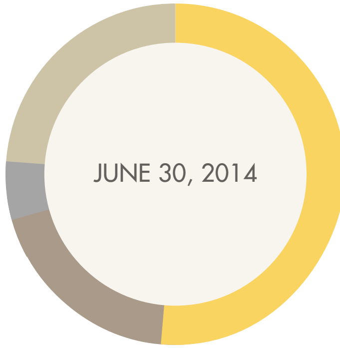
REVENUE



VALUE
ADDED STATEMENT

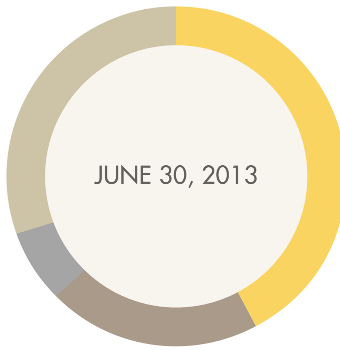
	June 30, 2014 Rs' 000	Restated June 30, 2013 Rs' 000
Sale of goods and services	2,362,562	2,443,424
Paid to suppliers for materials and services	(1,588,334)	(1,576,457)
Value added	774,228	866,967
Other operating income	66,948	69,973
Total wealth created	**841,176**	**936,940**
Distributed as follows:		
Employees		
Salaries and other benefits	431,952	408,904
Providers of capital		
Dividend	72,903	79,530
Interest paid on borrowings	85,316	75,527
Dividend to non-controlling interests	13,186	18,550
	171,405	173,607
Government and parastatal corporations		
Income tax (current and deferred)	26,483	43,685
Environment protection fee	9,518	9,660
Licences and permits	2,035	2,690
	38,036	56,035
Reinvested in the Group to maintain and develop operations		
Depreciation, amortisation and impairment	203,999	216,369
Retained (loss)/profit	(4,216)	82,025
	199,783	298,394
Total wealth distributed and retained	**841,176**	**936,940**

JUNE 30,2014



51%	Employees
20%	Providers of capital
5%	Government and parastatal corporations
24%	Reinvested in the group

JUNE 30,2013



44%	Employees
18%	Providers of capital
6%	Government and parastatal corporations
32%	Reinvested in the group

CHAIRMAN'S
REPORT

Dear Shareholder,

I am pleased to present to you the Annual Report of The United Basalt Products Ltd ("UBP") and of the Group for the year ended June 30, 2014 and to comment on the performance and achievements for the year.

Economic Overview

The Mauritian economy has been through another difficult year in 2013. The main economic indicators for the calendar year denoted a growth rate of 3.2%, a GDP of Rs 366.5 billion and an inflation rate of 3.5%. The level of public debt per capita increased by 9.7% to Rs 170,000.-. Furthermore, the Bank of Mauritius in a recent periodic review of the economy expressed much concern about the increasing level of indebtedness of households and about the amount of credit granted by Mauritian banks to local conglomerates and to the tourism and construction industries in particular. This state of the economy was also put forward by the World Bank in a recent report on Mauritius. All these indicate that we must be cautious about the future despite a forecasted economic growth rate of 3.5% for calendar year 2014.

The Construction Industry

In this sluggish general context, the construction industry has particularly suffered. The real growth rate in GDP of the construction industry during calendar year 2013 was -9.4%. This was explained by the lack of major infrastructure and property development projects such as roads, hotels, IRS, RES, land parcelling, shopping malls, offices and apartments. The last positive growth rate dates back to calendar year 2010 with a rise of +4.3% given that the current property market is characterised by an oversupply. The Construction Price Index rose by 1.4% to 112.5 during the last twelve months to June 2014. However, the availability of cheap finance seems to have enabled the private-dwellings' market to be sustained as evidenced by an increase of 15% in the number of permits granted for residential buildings between 2012 and 2013. With a forecast of -4.8% in the real growth rate in GDP of the construction industry for calendar year 2014, the major building contractors are looking forward to more private and public investment projects and aim at obtaining a fairer chance to bid against foreign construction companies.

Review of Activities and Results

Our Group has not been saved from the impact of these adverse sectorial economic conditions even if it has shown a great deal of resilience. The financial year under review was challenging both locally and overseas. Our performance was adversely affected by a lack of major projects, the fierce competition prevailing and an increase in our overhead costs. Group revenue dropped by 3.3% to Rs 2.4 billion whilst Group profit for the year stood at Rs 94.2 million compared to Rs 179.0 million in 2013. Group results were significantly reduced by a loss on exchange experienced by our Malagasy subsidiary and by a drop in our share of results from associates attributable mainly to our ready-mix entity. Our performance was further impacted by a significant exceptional expense write off linked to our land parcelling project at Gros Cailloux.

EPS, Dividend and Share Price

Group Earnings Per Share (EPS) dropped from Rs 6.09 in previous year to Rs 2.59 for the year under review.

On May 14, 2014, a decreased Dividend Per Share (DPS) of Rs 2.75 (2013 : Rs 3.00 per share) was declared by the Company in respect of the financial year ended on June 30, 2014 and paid in full on June 25, 2014.

Our share price dropped from Rs 98.00 at June 30, 2013 to Rs 84.00 at this year-end whilst the dividend yield moved from 3.06% in previous year to 3.27% for the financial year under review.

UBP 5-Year Bonds

During the year under review, the Company undertook a major restructuring of its debt through the issue of unsecured floating rate 5-year bonds for Rs 560 million and the refund of short term unsecured loans and part of the existing banking facilities. The bonds, with a nominal value of Rs 100.- and an interest (coupon) rate of Repo+1.20% (currently 5.85% per annum) payable quarterly in arrears, were issued by way of a private placement and successfully subscribed to and are currently trading at Rs 100.01 on the SEM. The Bond Programme was approved for a total amount of Rs 1 billion to be issued in several tranches whenever the Board decides to call for funds to finance future development projects. Our Company's finance costs were positively affected as a result of this bond issue.

Corporate Governance and CSR

The Group has during the financial year 2013-2014 pursued its mission to improve governance practices in favour of a sustainable development. Compliance to the Corporate Governance Code is as described on pages 23 to 35 with the introduction of a formal board evaluation exercise for the first time this year. The Group is conscious about the need to operate responsibly with set environment protection measures and a CSR strategy as detailed in our report on page 38.

Outlook

The financial year 2014-2015 will be yet another challenging one given the gloomy economic climate and the lack of major projects, both public and private. However, the Board of Directors and the management are committed to pursue the Group's development plan, to focus on innovation and proximity in order to gain extra market share and to take all necessary measures to contain our costs and to ensure an effective and efficient use of our resources. Overseas, our future performance in Madagascar is expected to be comparable to that of the previous year whilst in Sri Lanka we have high expectations from a strategic relocation of our plant nearer to Colombo, the capital of the country.

ACKNOWLEDGEMENTS

I wish to thank my fellow members of the Board of Directors for their input and support during the year under review.

I also wish, on behalf of the Board of Directors, to thank the Chief Executive Officer, his management team and the personnel at large for their hard work and dedication.

Finally, I would like to acknowledge with thanks the important role and contribution of our partners and customers to the success of the Group over the years.

Marc Freismuth
Chairman

September 25, 2014

CHIEF EXECUTIVE
OFFICER'S REPORT

Dear Shareholder,

I am pleased to report to you on the operations and performance of The United Basalt Products Ltd ("UBP") and of the Group for the year ended June 30, 2014 and to share with you our development plans.

Operational Review and Results

The Group's revenue for the year dropped by 3.3% to Rs 2.4 billion whilst the Group's operating profit was down from Rs 257.2 million in 2013 to Rs 188.8 million this year. This drop in performance was attributable mainly to our core business segment whose sales volumes locally were negatively affected by a lack of major infrastructure and property development projects. Our operating performance was also adversely impacted by a rise in our production costs attributable to higher plant maintenance and by one-off increases in our administrative and selling expenses.

On the foreign front, our subsidiary company in Madagascar maintained its level of activities but its operating profit dropped to Rs 4.2 million from Rs 13.1 million in 2013 due to an increase in administrative expenses. In Sri Lanka, our subsidiary's revenue increased appreciably but its operating performance ended up at a loss of Rs 6.3 million (2013 : Rs 9.0 million) due to the adverse impact of the prevailing fierce competition on our selling prices and to persisting administrative problems.

In terms of our Espace Maison retailing activities, our revenue for the year dropped by 3.3% compared to previous year whilst our operating performance moved from a loss of Rs 13.4 million in 2013 to a profit of Rs 5.8 million this year. This segment remains challenging due to the fierce competition prevailing on the market.

In terms of our agricultural subsidiary Compagnie de Gros Cailloux Ltée, our revenue for the year increased significantly due to a better crop and a rise in our landscaping activities. The sugar crop tonnage was significantly higher than in 2013 with a total of 1,997 tons of sugar (2013 : 1,172 tons – 70.4% rise) whilst the price decreased from Rs 17,656 per ton in 2013 to Rs 15,830 per ton this year (-10.3%). However, our operating performance was adversely affected by the year-end revaluation of our standing crop at a reduced expected sugar price of Rs 14,000.- per ton and by a write off of Rs 11.3 million representing costs incurred on our land parcelling project which the Board has decided to abandon and to sell in one lot.

Our share of results from associates was significantly down from Rs 36.1 million in 2013 to Rs 12.6 million for the year under review due mainly to the poor performance of our ready-mixed concrete entity caused by unfavourable market conditions and given that the results of the previous year were favourably impacted by exceptional items, namely the reversal of an employee benefit liability and a significant dividend income.

The Group's finance income dropped slightly due to lower dividend income whilst the Group's borrowing costs increased by 13.0% to Rs 85.3 million due to a significant loss on exchange of Rs 23.6 million arising on the year-end conversion of intergroup payables of UBP Madagascar. This loss on exchange resulted from a drop of 12% in the value of the Malagasy currency towards the Mauritian Rupee during the year under review. At Company level, the borrowing costs dropped significantly due to the restructuring of our debt through the issue of 5-year bonds in October 2013.

Consequently, the Group's profit for the year decreased from Rs 179.0 million in 2013 to Rs 94.2 million this year.

Statement of Financial Position

The Group's Statement of Financial Position remained strong. Total assets and total liabilities remained stable at Rs 4.5 billion and Rs 1.7 billion whilst the equity attributable to shareholders of the parent decreased by Rs 78.8 million to Rs 2.8 billion. Our cash and cash equivalents improved marginally whereas the employee benefit liability was restated in compliance with the new IAS 19 rules giving rise to a negative movement of Rs 100.5 million in our retained earnings brought forward at July 1, 2013 following a restatement of provisions over the past two financial years. Our borrowings remained stable during the year with no new term loans contracted. The debt to equity ratio moved from 0.35 (restated) times in 2013 to 0.37 times this year whilst the Net Assets Value (NAV) per share dropped from Rs 107.33 (restated) at June 30, 2013 to Rs 104.36 this year. The whole debt was restructured in October 2013 following the issue of unsecured floating rate 5-year bonds for Rs 560 million intended to repay the short term unsecured loans and part of the facilities with various banking institutions. Consequently, a major part of our short term borrowings were converted into long term borrowings.

The Group's total investment in property, plant and equipment for the year under review was increased to Rs 234.1 million from Rs 150.4 million in 2013 and was almost fully financed out of funds generated from our operations. Besides the normal replacement of existing assets, a major part of the Group's capital expenditure for the year was spent on new development projects as detailed thereafter.

The other major group cash outflows made during the year comprised of the servicing of loans and leases and the payment of dividends.

Development Plans

The major development projects realised during the financial year under review in terms of our core business activities comprised of some modification works to our modern plant at Geoffroy Road, the upgrading of our main crusher at Poudre d'Or, the acquisition of a new equipment to produce decorative bricks and stones, the purchase of additional equipments to increase the capacity of our quarrying division and the installation of new additives towers for our dry mortar production plant. New projects in the pipeline for the financial year 2014-2015 comprise of the setting up of a filler plant which was due to be completed in the previous financial year but was awaiting for the necessary permits, a dust removal system for our plant at Geoffroy Road, new moulds for the production of two innovative blocks, namely the **Light Block** and the **EcoBlock** aimed at providing our customers means of saving on costs and energy, the acquisition of more sophisticated equipments for our laboratory and the construction of a new store for our 'Drymix' products. In terms of our foreign operations, we are presently planning to set up a crushing plant in the region of Colombo, the capital of Sri Lanka, where many infrastructure and property development projects are being undertaken.

In terms of our Espace Maison retailing activities, the main development projects for the financial year 2013-2014 included the construction of a mezzanine at our shop in Trianon, improvements to our warehouse at Terre Rouge and the opening in September of a new retail outlet branded as '**Ma Jardinerie**' which is located within our estate at Gros Cailloux in a building owned by our subsidiary Cie de Gros Cailloux Ltée. This project was realised with the help of consultants from '**Delbard**', a French brand specialised in garden centres with whom we signed a franchise agreement to represent their brand in Mauritius and in certain countries of the Indian Ocean. Besides the latter project, the capital expenditure budget for the financial year 2014-2015 provides for the extension of the garden section of our outlet at Trianon thereby linking the two existing buildings and giving our customers a better access and a more pleasant shopping experience. The Trianon Shopping Park currently being extended is due to re-open in November this year.

As mentioned above the major development project of our subsidiary Cie de Gros Cailloux Ltée for the financial year under review was the construction of a new garden centre. This project forms part of a new 'exhibition and leisure' cluster which will comprise a large space for exhibitions, shows, events and receptions as well as a leisure and health park, a track for quad-biking and an animal farm. Besides this new project, the capital expenditure budget for 2014-2015 provides once again for the mechanisation of the sugar crop harvest. Started last year this project is due to span over six years and is aimed at making our sugar activity marginally profitable over time. In terms of our property development plan, as mentioned previously, the plot of land initially identified for a parcelling project is about to be sold for Rs 80.0 million to a real-estate promoter with the necessary conversion permit. Consequently, this land was classified as an asset held for sale on the statement of financial position at June 30, 2014 whilst its revalued amount was adjusted downwards by Rs 77.7 million as part of other comprehensive income for the year.

These investments should be realised with a minimum of borrowings, thereby pursuing our overall debt reduction strategy.

CHIEF EXECUTIVE OFFICER'S REPORT (CONT'D)

Future Prospects

The trend noted in our revenue since July 2014 shows a slight drop in our core business activities compared to the same period in 2013 whilst that of our retail activities are in progress. As experienced during financial year 2013-2014, the construction industry suffers from a lack of major projects. The coming political changes should aim at bringing more incentive measures and contribute to set the scene for the launch of new infrastructure and property development projects. However, as detailed in our development strategy above, we persist in developing and introducing new products onto the market, bringing our retail shops closer to our customers and seeking new business opportunities whilst focusing on quality and cost control. In terms of our foreign operations, the situation remains difficult but we are determined to take up the challenge and bring about all necessary measures aimed at improving our performance for the financial year 2014-2015 and beyond.

Appreciation and Thanks

I wish to thank the members of the Board of Directors for their support during the financial year 2013-2014.

I also wish to express my appreciation to my colleagues of the management team and the personnel at large for their continuous efforts and commitment to the progress of our Group during the past financial year.

Finally, I would like to thank our long-time strategic partners and our customers for their trust in our Group and our products.

Jean Michel Giraud
Chief Executive Officer

September 25, 2014

CORPORATE
GOVERNANCE REPORT

Statement of Compliance

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

The Board of Directors of The United Basalt Products Ltd confirms that to the best of their knowledge, the Company has complied with all its obligations and requirements under the Code of Corporate Governance for the year ended June 30, 2014 except for Sections 2.2 (Composition of the Board) and 2.8 (Remuneration of Directors) of the Code. The reasons for non-compliance to these sections are included under the relevant headings on pages 28 and 34 of this report.

On behalf of the Board

Marc Freismuth Chairman	**Jean Michel Giraud** Chief Executive Officer

September 25, 2014

The United Basalt Products Ltd was incorporated as a public company in July 1953. The shares of the Company are listed on the Official Market of the Stock Exchange of Mauritius since 1989.

The Board of Directors acknowledges that the Code of Corporate Governance ('the Code') sets out the best practices in terms of corporate governance and this report describes how the main corporate governance principles have been applied within the Company.

Shareholding Structure

The shareholding structure of the Group at June 30, 2014 is as detailed on page 12. The share capital of the Company amounts to Rs. 265,100,420 made up of 26,510,042 ordinary shares of no par value.

The Company has as Holding Company GML Investissement Ltée, incorporated in Mauritius.

Common Directors

The list of common Directors with the shareholder companies holding more than 5% of the share capital of the Company at June 30, 2014 was as follows :

Directors	UBP	GML Investissement Ltée	Forward Investment and Development Enterprises Ltd
Thierry Lagesse	■	■	■
Arnaud Lagesse	■	■	■ *

*: Chairman

Substantial Shareholders

Shareholders holding more than 5% of the share capital of the Company at June 30, 2014 were as follows:

Shareholders	Number of shares	% Holding
GML Investissement Ltée	7,764,839	29.29
Forward Investment and Development Enterprises Ltd	2,918,753	11.01

Except for the above, no other entity or individual has an interest of 5% or more in the ordinary share capital of the Company.

Shareholding Profile

The share ownership and categories of shareholders at June 30, 2014 were as follows:

Size of shareholding	Number of shareholders	Number of shares owned	Percentage (%)
1 – 500	869	143,908	0.54
501 – 1,000	253	186,132	0.70
1,001 – 5,000	587	1,442,179	5.44
5,001 – 10,000	170	1,195,249	4.51
10,001 – 50,000	176	3,563,609	13.44
50,001 – 100,000	31	2,108,810	7.96
100,001 – 250,000	15	2,441,832	9.21
250,001 – 1,000,000	7	3,635,274	13.71
Over 1,000,000	3	11,793,049	44.49
Total	2,111	26,510,042	100.00

Category of shareholders	Number of shareholders	Number of shares owned	Percentage (%)
Individuals	1,838	7,060,010	26.63
Insurance and assurance companies	27	2,536,386	9.57
Pension and providence funds	57	3,049,794	11.50
Investment and trust companies	46	11,389,355	42.96
Other corporate bodies	143	2,474,497	9.34
Total	2,111	26,510,042	100.00

Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius, at least 25% of the shareholding of the Company is in the hands of the public.

Share Registry and Transfer Office

The Company's Share Registry and Transfer Office is administered by ourselves.

Share Price Information

The Company's share price dropped by 14.3% over the past year, from Rs 98.00 at June 30, 2013 to Rs 84.00 at June 30, 2014, whilst the SEMDEX increased by 9.2 % over the same period.

At the time of writing, the share of the Company is quoted at Rs 83.00 on the Official Market of the Stock Exchange of Mauritius compared to Rs 94.00 on September 26, 2013, date of the preceding Annual Report. The Price Earnings Ratio (PER) is at 32.05, the Dividend Yield at

Share Price Information (Cont'd)

3.31 % and the Price to Net Assets Value (NAV) at 0.75.

Please refer to Financial Highlights and Ratios on page 14 for indicators and share price movements over the past five years to June 30, 2014.

Dividend Policy

The Company has no formal set dividend policy. The payment of dividend is subject to the Company's performance, its cash flow position, its capital expenditure and debt servicing requirements as well as its future investments and growth opportunities. In so doing, the Board of Directors attempts to distribute a yearly dividend which, under normal circumstances, should remain sustainable in the medium to long term.

Based on results forecasts, the Company declares a final dividend in May each year provided the trend in the Group's profitability is firmly established. Accordingly, on May 14, 2014, the Company declared a dividend of Rs 2.75 per share in respect of the financial year 2013-2014. This dividend was paid on June 25, 2014 to all ordinary shareholders registered at close of business on June 2, 2014.

Please refer to Financial Highlights and Ratios on page 14 for indicators and dividend paid per ordinary share over the past five years to June 30, 2014.

Shareholders' Agreement

At the time of writing, there is no shareholders' agreement to the knowledge of the Company.

Annual Meeting of Shareholders

The Company's Annual Meeting is the main forum where the shareholders exercise their rights to decide on the Company's affairs. Shareholders are encouraged to attend the meeting as it is an opportunity for them to raise and discuss any matter relevant to the Company and its performance and hence remain informed about the Group's strategy and objectives. A number of Directors and Board Committee members are normally present to answer any question relevant to the Company's affairs. The external auditors are also present at the meeting.

Besides the Annual Meeting, the shareholders are regularly informed of any relevant information concerning the Company and the Group such that they are able to take decisions in full awareness of their implications. These communications are made either by announcements in the press, the publication of quarterly interim Abridged Group Financial Statements and disclosures in the Annual Report.

Furthermore, the Chief Executive Officer and the Group Finance Manager often meet institutional investors, financial analysts and fund managers upon request to discuss the state of affairs of the Group.

Total Shareholders' Return

The total return for shareholders over the past five years to June 30, 2014 were as follows :

		2010	2011	2012	2013	2014
Share price at the end of the current year	Rs	123.00	135.00	108.00	98.00	84.00
Share price at the end of the previous year	Rs	53.00	123.00	135.00	108.00	98.00
Increase/(Decrease) in share price	Rs	70.00	12.00	(27.00)	(10.00)	(14.00)
Dividend per share	Rs	2.75	2.75	2.75	3.00	2.75
Total return per share	Rs	72.75	14.75	(24.25)	(7.00)	(11.25)
Total return based on previous year's share price	**%**	**137.26**	**11.99**	**(17.96)**	**(6.48)**	**(11.48)**

Shareholders' Calendar of Events

Further to the financial year end in June, the calendar of key events is as follows :

September	:	Publication of audited abridged group year end results to June 30
November	:	Publication of unaudited abridged first quarter group results to September 30
December	:	Annual Meeting of shareholders
February	:	Publication of unaudited abridged half-year group results to December 31
May	:	Publication of unaudited abridged third quarter group results to March 31
	:	Declaration of dividend
June	:	Payment of dividend

Company's Constitution

The shareholders adopted a new Constitution in 2004 which complies with the provisions of The Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius.

Its salient features are as follows:

- the Company has full capacity to carry on and/or undertake any business activity;
- the Company has full rights, powers and privileges;
- the Company may acquire and hold its own shares;
- fully paid up shares are transferable without restriction;
- the quorum for a meeting of shareholders is 6 shareholders present or represented and holding at least 35% of the share capital of the Company;
- the Board of Directors shall consist of not less than 7 or not more than 15 Directors;
- the quorum for a Board meeting is 4 Directors when the Board consists of 7 members and 5 Directors when the Board consists of more than 7 members;
- the Chairman has a casting vote in case of equality of votes at either a Board meeting or a shareholders' meeting;
- the Directors have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors does not at any time exceed the number fixed by the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election;
- a Director is not required to hold shares in the Company;
- the Company may indemnify and/or insure any Director or employee of the Company or a related corporation.

Board of Directors

The Board of Directors as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. Its primary role is to protect and enhance shareholders' interests by ensuring that proper systems and controls are in place to safeguard the Group's assets and good reputation. Referring to recommendations made by management, the Board identifies key risk areas and makes strategic choices, approves the Company's investments, operating and capital expenditure budgets, monitors the implementation of strategies whilst maintaining an effective corporate governance framework. In so doing the Board may delegate certain duties to Board Committees and to Management.

The Directors perform their duties and exercise their powers to the extent permitted by law. They have the right to seek independent professional advice at the expense of the Company to enable them to discharge their responsibilities effectively.

The roles of the Chairman and of the Chief Executive Officer are clearly separated. The Chairman has no executive or management responsibilities and his main role is to lead and monitor effectively the work of the Board of Directors, to encourage active participation of Directors, to ensure smooth and timely flow of information to Management and shareholders and to ensure the accurate documentation of proceedings. He is elected by the members of the Board and also acts as Chairman at shareholders' meetings. The Chief Executive Officer is responsible for the day-to-day management of the Group, preparing and recommending business development plans and budgets to the Board in line with the Group's long-term strategy and vision, making and implementing operational decisions, promoting the Group's business, achieving the Group's financial and operating goals and objectives and ensuring an effective management team.

All Directors, whether executive, non-executive or independent non-executive are bound by fiduciary duties. They have both a legal and moral duty to act independently, in good faith, with due care and skill, and without fetter or instruction. Non-executive and independent Directors perform their duties intermittently and have less regular access to the Company's books and records than executive Directors do but they play a particularly vital role in providing independent judgement in all circumstances. They are individuals of calibre and credibility and have the necessary skill and experience to bring judgement, independent of management, on issues of strategy, performance, resources, transformation, equal

Board of Directors (Cont'd)

opportunities, standards of conduct and evaluation of performance. Executive Directors on the other hand, manage the conflict between their management responsibilities and their fiduciary duties in the best interests of the Company.

Company Secretary

All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and for providing guidance and proper induction to Directors concerning their duties, responsibilities and powers.

The Company Secretary administers, attends and prepares minutes of all Board and Shareholders' meetings. He assists the Chairman in ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with and in implementing and strengthening good governance practices and processes within the Group with a view to enhance long-term shareholders' value.

Board Composition

The Company's Constitution stipulates that the Board shall consist of a minimum of 7 and a maximum of 15 Directors.

The Company is currently headed by a unitary Board of 10 Directors comprising 6 Non-Executive Directors, 3 Independent Non-Executive Directors and one Executive Director who is the Chief Executive Officer. Although acknowledging that the Code of Corporate Governance recommends that there should be at least two Executive Directors appointed to the Board, the Corporate Governance Committee, in its role as Nomination Committee, is of the opinion that the presence of the Group Finance Manager and Company Secretary at all Board meetings satisfies this requirement of the Code.

The Directors bring a wide range of experience and skills to the Board and ensure that their other responsibilities do not interfere with their responsibilities as Director of the Company.

Appointment and Re-Election of Directors

According to the Company's Constitution, the Board has the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors at any time does not exceed the number fixed by the Constitution. Any Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election.

New Directors appointed to the Board are familiarised with the Company's operations, its business environment and senior management. They are also made aware of their fiduciary duties and responsibilities. A suitable induction of Directors contributes to ensuring that the Company maintains a well-informed and competent Board and enables any new Director to make the maximum contribution as quickly as possible. In addition to this, all Directors are invited to enrol onto the Directors Development Programme (DDP) of the Mauritius Institute of Directors (MIoD) which provides a complete range of training relevant to the role and responsibilities of Board members.

During the year ended June 30, 2014, there was no change in the composition of the Board of Directors. A resolution will be submitted at the forthcoming Annual Meeting of shareholders of the Company for the re-election of Mr E. Jean Mamet, aged above 70, to continue to hold office as Director of the Company until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.

The Corporate Governance Committee, in its role as Nomination Committee, is responsible for the review of the composition of the Board of Directors and Board Committees and to make recommendations to the Board for the re-election of directors and for the approval of candidates to fill any vacancy arising on the Board and on Board Committees or as an addition to the existing Directors.

The Company's Constitution does not provide for the rotation of Directors. The Code of Corporate Governance provides that each Director should be elected or re-elected every year at the Annual Meeting of shareholders. Although being of the opinion that the holding of office by Directors relies on their experience and knowledge of the Group's activities to ensure that they exercise the appropriate degree of leadership, skill and judgement required to achieve a sustainable performance over the years, the Corporate Governance Committee has decided to comply with the Code and to include the re-election of all Directors at the agenda of the Annual Meeting of shareholders of the Company. In addition, the Board is continuously encouraging its members to acquire new skills.

Directors' Profiles

Please refer to Directors' Profiles on pages 8 and 9 for an update of their profiles.

Directors' Directorships

The directorships of the Directors of the Company in other companies listed on the Official Market of the Stock Exchange of Mauritius at June 30, 2014 were as follows:

Abbreviations:

	AL	BMHL	IBL	IGF	LUX	PBL
Directors						
Marc Freismuth		■				
Laurent de la Hogue					■	
Arnaud Lagesse	■ *		■ *		■ *	■
Stéphane Lagesse					■	
Thierry Lagesse	■		■			■
E. Jean Mamet				■		

* : Chairman

AL – Alteo Ltd
IGF – Ipro Growth Fund Ltd
BMHL – Belle Mare Holding Ltd
LUX – Lux* Island Resorts Ltd
IBL – Ireland Blyth Ltd
PBL – Phoenix Beverages Ltd

The other Directors of the Company did not have any directorships in companies listed on the Official Market of the Stock Exchange of Mauritius at June 30, 2014.

Directors' and Senior Officers' Interests and Dealings in Shares

The Directors' and Senior Officers' interests in the ordinary shares of the Company are set out in the table on page 42 of Other Statutory Disclosures.

The Directors of the Company use their best endeavours to abide to the principles set out in the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius. All newly appointed Directors are required to notify the Company Secretary in writing about their direct and indirect holdings in the shares of the Company although, as per the Company's Constitution, a Director is not required to hold shares in the Company. Subsequently, any Director willing to deal in the shares of the Company should notify the Chairman of the Board and obtain a written acknowledgement before proceeding further.

The Directors and Senior Officers of the Company are prohibited from dealing in the shares of the Company for a period of one month preceding the publication of the Company's quarterly and yearly financial statements and prior to the announcement of a dividend payment or other distribution and more generally, at any time when in possession of unpublished price-sensitive information relevant to the Company.

During the year under review, none of the Directors and Senior Officers dealt in the shares of the Company, either directly or indirectly.

Furthermore, pursuant to the provisions of The Securities Act 2005, the Company registered itself as a reporting issuer with the Financial Services Commission (FSC) in 2008 and identified its insiders according to the definitions within the Act. All the insiders and their associates were required to disclose their interest in the shares of the Company and in those of the associates of the Company. This information was then forwarded to the FSC and thereafter any movement thereon is being recorded and notified to the Commission.

As such this year, the Commission was notified when Forward Investment & Development Enterprises Ltd acquired 281,972 shares of the Company on June 20, 2014. In addition, all the abridged group quarterly financial statements and the audited financial statements for the year are sent to the Commission in accordance with Section 88 of the Act.

Directors' and Senior Officers' Insurance and Indemnification

The Directors and the Secretary of the Company benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

Board Evaluation

At the initiative of the Corporate Governance Committee, a Board evaluation, in the form of a questionnaire inspired from the MIoD model and covering all the aspects of the Board's function, was carried out this year. All the members of the Board were consulted and the results duly compiled were communicated to enable the Board to take appropriate actions to improve its effectiveness and its functioning.

Board Meetings

The Chairman and the Chief Executive Officer, assisted by the Company Secretary, are responsible for fixing the agenda and the date for each Board meeting. Certain matters are considered at all Board meetings such as the latest available management accounts, business and operations updates and where applicable, reports from the Corporate Governance Committee and the Audit Committee. In addition to standing agenda items, there may be discussions on some specific topics related to the Company's business or strategy. Special meetings may also be called from time to time as needed. The minutes of proceedings of each Board meeting are recorded and entered in the Minutes Book by the Company Secretary and are submitted for approval at each following meeting of the Board.

The quorum for Board meetings is 4 Directors when the Board consists of 7 members and 5 Directors when the Board consists of more than 7 members. In case of equality of votes, the Chairman has a casting vote.

Directors are expected to spend the time and effort necessary for them to properly discharge their responsibilities. Accordingly, they are expected to regularly prepare for and attend meetings of the Board and all Committees on which they sit with the understanding that, on occasion, they may be unable to attend a meeting. The attendance record for the year under review is as shown on page 34.

The Board met six times this year to examine, consider, discuss or approve, amongst other items:

- the audited group financial statements, the abridged group financial statements and the Annual Report for year ended June 30, 2013;
- the remuneration of external auditors;
- the abridged group financial statements for the quarters to September 30, 2013, December 31, 2013 and March 31, 2014;
- the progress and alternatives available for the land parcelling project of Compagnie de Gros Cailloux Ltée;
- the appeals and court cases relevant to our plant at Geoffroy Road;
- the review of our quarrying activities;
- the approval of short term banking facilities;
- the issue of unsecured floating rate 5-year bonds;
- the Board calendar for 2014;
- an update of the Chief Executive Officer's succession plan;
- two new equity investments
- the review of our operational strategy in Sri Lanka;
- the recommendations of the Corporate Governance Committee and of the Audit Committee;
- an analysis of risks inherent to the Company's business;
- the results forecasts to June 30, 2014;
- the declaration of a dividend;
- the operating and capital expenditure budgets for the financial year 2014–2015; and
- the evaluation of the Board.

Decisions were also taken by way of resolutions in writing, signed by all the Directors.

Board Committees

In order to fulfil its obligations and duties, the Board delegates certain duties and responsibilities to Board Committees to ensure a more comprehensive evaluation of specific matters. This delegation does not however reduce the overall responsibilities of the Board.

In line with the requirements of the Code, the Corporate Governance Committee and the Audit Committee were set up in 2005 with clearly defined terms of reference. These Board Committees report regularly to the Board on their activities and make recommendations thereof for its approval.

The Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are accessible to all members of the Board of Directors.

Corporate Governance Committee

The composition of the Corporate Governance Committee is as follows:

Chairman:	Joël Harel
Members :	Marc Freismuth
	Thierry Lagesse

The Code's aspiration is that the Corporate Governance Committee be chaired by an Independent Non-Executive Director. The Board had nominated Mr Thierry Lagesse, the Non-Independent Chairman of the Board at the time, to chair this Committee in view of his past experience and given that he had no executive responsibilities and since there was a majority of Independent Non-Executive Directors on the Committee. However, since Mr Marc Freismuth has ceased to be an independent Director, the Board has decided to appoint Mr Joël Harel as Chairman of the Committee in replacement of Mr Thierry Lagesse who remains a member of the Committee.

The mandate of the Corporate Governance Committee is to determine the policy on Corporate Governance in accordance with the principles of the Code, to advise and make recommendations to the Board of Directors on all aspects of Corporate Governance and to report to shareholders on compliance with the provisions of the Code.

The Corporate Governance Committee is also responsible for Nomination and Remuneration aspects of the Code and its functions are as follows:

- In its role as Nomination Committee, it reviews the structure, size and composition of the Board, it assesses and evaluates the role and independence of each current and potential Director and makes recommendations to the Board for the election and re-election of Directors and for matters relevant to the succession planning.
- In its role as Remuneration Committee, its terms of reference include inter alia the development of the Group's general policy on executive and senior management remuneration including the definition of performance measurement criteria and specific remuneration packages for executive Directors and senior management and the making of recommendations to the Board on all aspects of remuneration.

In accordance with the Code, the Committee considers an independent Director as one who:

- is not a representative or member of the immediate family of a shareholder who has the ability to control or significantly influence the Board or Management;
- has not been employed by the Company or the group of which the Company currently forms part in any executive capacity for the preceding three financial years;
- is not a professional advisor to the Company or the group of which the Company currently forms part other than in a Director capacity;
- is not a significant supplier to, debtor or creditor of, or customer of the Company or the group of which the Company currently forms part, or does not have a significant influence in any group related company in any one of the above roles;
- has no significant contractual relationship with the Company or the group of which the Company currently forms part;
- is free from any business or other relationship which could be seen to materially impede the individual's capacity to act in an independent manner.

The Committee met six times during the financial year 2013-2014 to:

- discuss and approve the proposed succession plan for the CEO;
- discuss and approve the remuneration of the Chief Executive Officer, Senior Officers, Directors and Committee members;
- examine and take decisions on corporate governance compliance issues;
- recommend to the Board the nomination of Mr Marc Freismuth as Chairman of the Company in replacement of Mr Thierry Lagesse;
- determine the Group's policy with regard to donations;
- approve the Chief Executive Officer's pension shortfall compensation and determine the policy going forward;
- consider a claim made for constructive dismissal by an ex Senior Officer; and
- discuss and approve the Board evaluation exercise.

The Corporate Governance Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

The attendance record for the year under review is as shown on page 34. A quorum of two members is currently required for a Corporate Governance Committee meeting. Mr Jean Michel Giraud, the Chief Executive Officer, is in attendance at almost all meetings of the Committee.

The remuneration of the Chairman and of each member of the Corporate Governance Committee for the year ended June 30, 2014 amounted to Rs 30,000 (2013 : Rs 30,000).

Audit Committee

The composition of the Audit Committee is as follows:

Chairman:	E. Jean Mamet
Members :	François Boullé
	Joël Harel

As recommended by the Code, the Chairman of this Committee is an independent non-executive Director similarly to the two members. The Board of Directors is of the view that the members of the Committee have sufficient financial management knowledge and experience to discharge their responsibilities properly.

Audit Committee (Cont'd)

The Audit Committee Charter was approved by the Board of Directors in May 2005. The main duty of the Committee is to ensure the integrity of accounting and financial reporting and to review internal control systems and procedures in order to assist the Board of Directors in carrying out its responsibilities. The Committee also monitors the role and scope of work of internal and external auditors, including the identification of any risk areas, and ensures compliance with legal and regulatory provisions. The Committee has the authority to conduct or authorise investigations into any matter within its scope of responsibilities and to engage any firm of professionals it sees fit to provide independent expert advice. The Committee has full access to all management personnel and can call upon any member of management and staff or any member of the Board to attend its meetings.

The Committee met four times during the financial year 2013-2014, mainly to:

- review and recommend to the Board for approval and publication the audited financial statements, the Annual Report and the abridged group financial statements for year ended June 30, 2013;
- review and recommend to the Board for approval and publication the unaudited abridged group quarterly financial statements to September 30, 2013, December 31, 2013 and March 31, 2014;
- fix the remuneration of external auditors;
- review the reports of internal and external auditors and follow-up remedial actions by management based on their recommendations;
- review issues relevant to the reliance of the auditors on the existing IT system;
- follow-up the writing up of procedures within the IT function;
- review the internal audit function;
- review the risk management framework; and
- consider the need to recruit a compliance officer.

In so doing, the Committee reviewed control systems and procedures in place at all the subsidiary companies within the Group.

The Audit Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

The attendance record for the year under review is as shown on page 34. A quorum of two members is currently required for an Audit Committee meeting. The Group Finance Manager is in attendance at all meetings of the Committee whilst the Chief Executive Officer, the internal and external auditors and some members of the management attend the meetings by invitation depending on the agenda.
The remuneration of the Chairman and of each member of the Audit Committee for the year ended June 30, 2014 amounted to Rs 150,000 (2013 : Rs 150,000) and Rs 100,000 (2013 : Rs 100,000) respectively.

Internal Audit Function

The internal audit function is responsible for providing independent, objective assurance to the Board regarding the implementation, operation and effectiveness of internal control systems and risk management. The objective is to ascertain the extent of compliance to procedures, policies, regulations and legislation, to facilitate proper risk management practices and to recommend improvements in control, performance and productivity within the Group.

The internal audit function was outsourced until two years ago to Messrs BDO & Co. but is presently carried out internally by a member of our staff who has access to all the Company's records, systems and personnel and maintains an open and constructive communication line with the management and the Audit Committee. The internal audit plan was approved by the Audit Committee and gives the extent of coverage attributable to each business process cycle within the organisation depending on the degree of risk. The methodology used is based on the selection of specific business cycles, the identification of inherent risks, the verification of key controls in place in view of eliminating or reducing the risks to an acceptable level, the verification of the said controls to ensure they are operating satisfactorily, the performance of walkthrough tests on procedures and processes and the formulation of necessary recommendations.

During the year under review, the internal auditor carried out regular visits to all our operational sites to ensure the controls and procedures are adhered to and to improve processes where necessary in order to minimise risks. His findings were classified in terms of risk level and his recommendations were discussed and commented by management. This year again, no material financial problems were identified which would affect materially the figures reported in the financial statements. The recommendations are being implemented gradually by management under the close follow-up of the internal auditor.

In April this year, the Audit Committee met to review the internal audit function in order to decide whether to outsource this function to an accounting firm or to increase the staffing of the existing function and to acquire a commonly used audit software for extensive testing of data through our ERP. Based on their recommendations, the Board of Directors approved the recruitment of additional staff and the acquisition of the software. At time of writing, the recruitment process is under way.

Internal Control and Risk Management

The Board of Directors is ultimately responsible for the adequacy and effectiveness of the internal control system which is designed to manage the risk of failure to achieve business objectives and which can only provide reasonable and not absolute assurance against material financial misstatement or loss.

The management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit Committee to ensure their effectiveness. Such systems must ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented. The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The key risks relevant to the Group are as follows:

- Industry risks: risks that makes the industry less attractive as a result of changes in (i) the key factors for competition success within the industry, including significant opportunities and threats, (ii) the capabilities of existing and potential competitors and (iii) the Group's strengths and weaknesses relative to present and future competitors;
- Operational risks: risks defined as risks of loss resulting from inadequate or failed internal processes and procedures, human error or system failure or from external events e.g. Legal risks.
- Technology risks: risks that hardwares and softwares are not operating as intended thereby compromising the integrity and reliability of data and information and exposing significant assets to potential loss or misuse or exposing the Group's ability to maintain a high standard in its main business processes;
- Country risks: risks arising when the political climate in a specific country affects the business environment and impacts on the company's objectives and strategies in such a way that the company may get out of business; and
- Financial risks: exposure to credit, interest rate, liquidity, foreign currency and capital management risks.

Operational risks are further broken down into the following five constituents:

- Human resources risks: losses arising from acts inconsistent with employment and health and safety laws;
- Fraud risks: intentional or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involving one internal party and/or a third party;
- Physical risks: losses due to fire, cyclone, explosion, riots or else;
- Business continuity risks: losses from failed transaction processing and process management, inadequate back-ups and loss of data; and
- Reputational risks: losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

The Audit Committee via the internal audit function ensures that some of the above risks are managed and kept at an acceptable level. In addition, risks are managed as follows;

- our sales, marketing and operations staff follow closely the actions of our existing or potential competitors;
- our core business production is scheduled as per an adequate planning to avoid any disruption in production whilst our plant and machinery are regularly serviced by our workshop to avoid any breakdown;
- the quality of our core business products are tested daily in our laboratory to ensure that they are of the required standard whilst the majority of our plant and machinery are of latest technology;
- our customer service staff are regularly trained and provided with best logistics to better serve our customers;
- the supply of our core business raw materials is partly ensured by our own quarrying services to avoid any threat from outside suppliers although we maintain very good relationships with them. In addition, we own several acres of land at Gros Cailloux and St Julien to ensure our own supplies;
- our internal auditor does regular testing aimed at detecting any potential weaknesses in our internal control systems and any likely risk of fraud and preventing same to recur through new procedures and controls;
- our HR function manages human resources risks via proper and adequate recruitment, training, coaching, job reviews, performance evaluation and succession planning;
- our health and safety function ensures that all necessary measures are taken to protect our employees and the environment;
- our assets are insured against fire and allied perils and other all risks insurance cover as relevant to the type of asset whilst our offices and operational sites are all equipped with fire extinguishers and security systems;

Internal Control and Risk Management (cont'd)

- our IT function ensures that latest technologies are used for our tailor-made ERP, that our systems are secured by latest versions of antivirus, that a complex password policy is in place, that daily back-ups are kept, that our database is secured via a disaster recovery plan and that our communication networks are duplicated; and
- our operational managers follow closely the political events in Madagascar and Sri Lanka to avoid any risk of business failure.

For financial risks management, please refer to note 4 of the Notes to the Financial Statements on pages 82 to 86.

At time of writing, the Audit Committee is seeking the help of a consultant to review the risk management framework with a view to better minimise the Group's exposure to risks.

Meetings Attendance

	Board	Corporate Governance Committee	Audit Committee
Marc Freismuth	6 out of 6	6 out of 6	
François Boullé	4 out of 6		4 out of 4
Jean Michel Giraud	6 out of 6		
Joël Harel	6 out of 6	6 out of 6	4 out of 4
Laurent de la Hogue	6 out of 6		
Arnaud Lagesse	3 out of 6		
Stéphane Lagesse	4 out of 6		
Thierry Lagesse	4 out of 6	6 out of 6	
Jean Claude Maingard	4 out of 6		
E. Jean Mamet	6 out of 6		4 out of 4

Management Agreement

There is no management agreement between any third party and the Company or its subsidiaries. However, the Company itself has management agreements with subsidiaries and associates within the Group.

Remuneration Philosophy Statement

The Corporate Governance Committee in its role as Remuneration Committee is responsible for making recommendations to the Board with regard to the definition and development of the Group's general remuneration policy, including determining performance measurement criteria and specific remuneration packages for executive Directors and senior management and the level of remuneration of non-executive Directors, taking into consideration the market trend and the Group's performance.

With the venue of a new Group Human Resources Manager in February this year, the current remuneration scheme is still being reviewed with the help of consultants to favour more alignment between remuneration and performance in terms of business objectives and to recognise both corporate and individual performance. A grading system was introduced for all staff in 2013 whilst the competencies are being assessed in view of identifying any training need and hence elaborate an effective rewarding system. This will enable the Company to motivate, retain and attract best employees capable of achieving the Group's objectives.

Please refer to Other Statutory Disclosures on page 41 for a table of total emoluments and benefits received by the Directors from the Company and subsidiary companies. Although acknowledging that the Code requires that the remuneration received by Directors should be disclosed on an individual basis, the Corporate Governance Committee, in its role as Remuneration Committee, has recommended that the remuneration be disclosed by category of Directors only in view of the confidentiality and sensitivity of this information.

The remuneration of the Chief Executive Officer comprises a basic salary and other benefits in kind and an annual performance bonus. The proportion of variable pay to fixed pay is significant and aims at aligning the interests of the Chief Executive Officer to those of the Group.

Integrated Sustainability Reporting

The Board believes that it is in the long-term economic interest of the Company to conduct itself as a responsible corporate citizen and to act in a manner which is non-exploitative, non-discriminatory and respectful of human rights.

In terms of ethics, the Company has a draft version of its own Code of Ethics, which is yet to be adopted and implemented, but inspires itself from the principles set out in the Model Code of the Joint Economic Council as adapted to meet its specific needs. Nevertheless, the Company strongly believes that it is essential that all its employees act with honesty, integrity and respect and extend the highest courtesy to colleagues, suppliers, visitors, customers and all other stakeholders, thereby ensuring the good reputation of the Company.

In terms of the environment, the Company is continuously making significant investments in appropriate equipments aimed at reducing dust emission from its production plants. Our plant at Geoffroy Road is the first eco-friendly plant of its kind in Mauritius. Furthermore, a few years ago the Company launched a concrete recycling project aimed at reducing the level of demolition waste dumping.

In terms of health and safety, the Company's Health and Safety Officer performs regular risk assessments to ensure that all our production units are equipped to run in a safely manner thereby minimising the risk of causing damage to the environment and to the neighbourhoods. As regards the health and safety of employees, regular training initiatives are undertaken to enhance the level of health and safety practices in the workplace and to help increase the awareness of employees on security and health issues by insisting on the use of protective clothing and accessories. Furthermore, security issues are taken into consideration in the determination of Key Performance Indicators (KPIs) used to assess the performance of relevant managers.

In terms of social responsibility, our policies and practices are as detailed in our Corporate Social Responsibility (CSR) report on page 38.

Donations

Please refer to Other Statutory Disclosures on page 43 for details of donations made during the year.

Employee Share Option Plan

The Company has no employee share option plan.

Provision for Pension Benefits

Please refer to note 21 of the Notes to the Financial Statements on pages 103 to 106 for details of total provisions booked or otherwise recognised by the Company for the payment of pension benefits.

Related Party Transactions

Please refer to note 29 of the Notes to the Financial Statements on page 109 for details on related party transactions.

Christophe Quevauvilliers
Company Secretary

September 25, 2014

SEPTEMBER 2014

Ma Jardinerie

UBP pursues its diversification with the opening of 'Ma Jardinerie' at Gros Cailloux.

UBP
The United Basalt Products Ltd.

CORPORATE
SOCIAL RESPONSIBILITY (CSR) REPORT 2014

This report sets out the Group's Corporate Social Responsibility programme for the year ended June 30, 2014. This year, our intervention has been focused on the Welfare of Vulnerable Children, Education and Sports. All projects have been realised in compliance with the CSR guidelines in view of ensuring a better coordination and continuity of the CSR activities in which we were already engaged.

Review of Activities

For the financial year under review, the Group has been engaged in seventeen projects at national level. Our commitment is strategically set to give priority to projects established in the vicinity of our sales and production sites. In terms of **Welfare of Vulnerable Children**, the Group has pursued its collaboration with NGOs like the Mouvement Forces Vives Quartier EDC in Rose-Belle, SOS Children Village, The Rotary Club of Port Louis, Garderie Etoile, A.P.E.I.M., Fondation pour l'Interculturel et la Paix and Solidarité Mamans. Our support has been directed towards the running of remedial classes by contributing to the salary of teachers, the setting up of learning projects for drop-out children and renovation projects aimed at enhancing the living conditions of vulnerable children.

In terms of **Education**, the Group has once more renewed its engagement by providing support to the New Bambous Geoffroy Government School, the Cottage Government School and the Institut Cardinal Jean Margeot for the project 'Les Amis de Zippy'. Our assistance was mainly in terms of renovation works for the schools and for the promotion of emotional well-being of the children.

In the field of **Sports**, the Group has channeled its support through the Trust Fund for Excellence In Sport by providing assistance to Miss Fabienne St Louis adept of Triathlon, The Mauritius Tennis Federation and the Western Cowboys Rugby Club. We strongly believe that sports can contribute to the development of youngsters and help generally to facilitate their integration into society.

Besides our core priority projects detailed above, the Group has also been actively involved in various other initiatives forming part of the programme of the Fondation Joseph Lagesse, namely in terms of support to childcare services and technical training for Caritas Centre d'Eveil in Grand Gaube and in Bambous and to Collège Technique St Gabriel.

Summary of UBP Group's CSR support by area of intervention

Area of intervention	Rs
Welfare of Vulnerable Children	1,543,537
Education	120,000
Sports	775,000
Projects in common with the Fondation Joseph Lagesse	1,101,335
Total	**Rs 3,539,872**

The financial year 2013-2014 has been enriching in many ways. We are proud of the progress achieved and pleased by the response from our numerous beneficiaries with whom we have built fruitful relationships. The Group is determined to pursue its support activities with the same mind-set for the coming financial year and hence contribute in the development of sustainable projects and promoting the well-being of the community at large.

STATEMENT
OF DIRECTORS' RESPONSIBILITIES

In respect of the preparation of financial statements and internal control.

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company. In so doing, they are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the provisions of the Companies Act 2001 and the International Financial Reporting Standards (IFRS), and explain any material departure thereto;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The Directors are also responsible for the proper maintenance of accounting records which disclose at any time and with reasonable accuracy, the financial position and performance of the Company. They are also responsible for maintaining an effective system of internal control and risk management, for safeguarding the assets of the Company and for taking all reasonable steps to prevent and detect fraud and other irregularities.

The Directors acknowledge that they have exercised their responsibilities as described above and confirm that they have complied with the above requirements in preparing the financial statements for the year ended June 30, 2014. They also acknowledge the responsibility of the external auditors to report on these financial statements and to express an opinion as to whether they are fairly presented.

The Directors confirm that they have established an internal audit function and report that proper accounting records have been maintained during the year ended June 30, 2014 and that nothing has come to their attention which could indicate any material breakdown in the functioning of internal control systems and have a material impact on the trading and financial position of the Company.

On behalf of the Board

Marc Freismuth
Chairman

Jean Michel Giraud
Chief Executive Officer

September 25, 2014

OTHER
STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001)

ACTIVITIES

The principal activity of the Group remains the manufacture and sale of building materials which consist mainly of our core products: aggregates, rocksand and hollow concrete blocks. Other products include precast concrete slabs, ready-to-use dry mortar, various concrete building components including paving-blocks and roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building products, fittings, tools and garden accessories. Services rendered consist mainly of engineering works by the Company's workshop and contracting services.

The Group is also involved in the sale of agricultural products through one of its subsidiaries.

DIRECTORS

Members of the Board of Directors at June 30, 2014 were:

The Company
Messrs: Marc Freismuth - Chairman
François Boullé
Jean Michel Giraud
Joël Harel
Laurent de la Hogue
Arnaud Lagesse
Stéphane Lagesse
Thierry Lagesse
Jean Claude Maingard
E. Jean Mamet

Subsidiary Companies

Espace Maison Ltée
Messrs: Thierry Lagesse - Chairman
François Boullé
Marc Freismuth
Jean Michel Giraud
Joël Harel
Laurent de la Hogue
Stéphane Lagesse
Jean Claude Maingard
E. Jean Mamet

Compagnie de Gros Cailloux Ltée
Messrs: Thierry Lagesse - Chairman
François Boullé
Jean Michel Giraud
Christophe Quevauvilliers
Stéphane Ulcoq – Appointed on December 16, 2013.

Welcome Industries Ltd
Messrs: Thierry Lagesse - Chairman
Jean Michel Giraud
Christophe Quevauvilliers

UBP International Ltd
Messrs: Thierry Lagesse - Chairman
Jean Michel Giraud
Louis Raoul Harel

UBP Madagascar
Mr : Steve René – Manager

United Granite Products (Pvt.) Ltd

Messrs: Jean Michel Giraud - Chairman
Joseph Albert
A. Mahir Didi
Rémi de Gersigny
Hussain Saad Hasim
Christophe Quevauvilliers

Sainte Marie Crushing Plant Ltd
Messrs: Thierry Lagesse - Chairman
Jean Michel Giraud
Richard Koenig
Stéphane Ulcoq

Dry Mixed Products Ltd
Messrs: Jean Michel Giraud - Chairman
Brice Riche
Thierry Lagesse
- alternate : Stephane Ulcoq – Appointed on June 19, 2014 in replacement of Mr Rémi de Gersigny who resigned on the same date.
Alexandre Roland Maurel
- alternate : Lloyd George Richard-Coombes
Christophe Quevauvilliers
Colin Taylor
- alternate : Eric Adam

Land Reclamation Ltd
Messrs: Jean Michel Giraud - Chairman
François Boullé
Joël Harel

Stone & Bricks Co. Ltd
Messrs: Jean Michel Giraud - Chairman
Joël Harel

The Stone Masters Co. Ltd
Messrs: Jean Michel Giraud - Chairman
Joël Harel

Pricom Ltd
Messrs: Thierry Lagesse - Chairman
Jean Michel Giraud
Joël Harel

DIRECTORS' REMUNERATION AND BENEFITS

Total remuneration and benefits received by the Directors from the Company and its subsidiary companies were as follows:

	2014		2013	
	Executive Rs'000	Non-Executive Rs'000	Executive Rs'000	Non-Executive Rs'000
The Company	8,840	1,800	8,681	1,800
Subsidiary Companies :				
Espace Maison Ltée	-	536	-	536
Compagnie de Gros Cailloux Ltée	-	-	-	120
Welcome Industries Ltd	-	-	-	-
UBP International Ltd	-	-	-	-
UBP Madagascar	-	-	-	-
United Granite Products (Pvt.) Ltd	-	-	-	-
Sainte Marie Crushing Plant Ltd	-	120	-	120
Dry Mixed Products Ltd	-	-	-	-
Land Reclamation Ltd	-	-	-	-
Stone & Bricks Co. Ltd	-	-	-	-
The Stone Masters Co. Ltd	-	-	-	-
Pricom Ltd	-	-	-	-

DIRECTORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

The Directors' and Senior Officers' interests in the ordinary shares of the Company at June 30, 2014 were as follows:

	Category	Ordinary shares			
		Direct		Indirect	
		Number	%	Number	%
Directors					
Marc Freismuth - Chairman	NICB	-	-	-	-
François Boullé	INED	-	-	26,270	0.099
Jean Michel Giraud	ED	4,184	0.016	2,526	0.010
Joël Harel	INED	-	-	-	-
Laurent de la Hogue	NED	-	-	-	-
Arnaud Lagesse	NED	-	-	9,452	0.036
Stéphane Lagesse	NED	216	0.001	45,023	0.170
Thierry Lagesse	NED	1,116	0.004	45,023	0.170
Jean Claude Maingard	NED	-	-	-	-
E. Jean Mamet	INED	-	-	2,000	0.007
Senior Officers					
Christophe Quevauvilliers	*	600	0.002	12	0.000
Dhuenesh Rambarassah	*	480	0.002	-	-
Jocelyne L'Arrogant	*	10	0.000	-	-
Bernard Lagesse	*	8,000	0.030	-	-
Raoul Maurel	*	300	0.001	10	0.000
Edley Michaud	*	605	0.002	-	-

ED – Executive Director
INED – Independent Non-Executive Director
NED – Non-Executive Director
NICB – Non-Independent Chairman of the Board

* The job titles of the Senior Officers are as described in their profile on pages 10 and 11.

Except for the above, none of the other Senior Officers had an interest in the shares of the Company, either directly or indirectly.

None of the Directors and Senior Officers of the Company had an interest in the shares of the subsidiary companies

DIRECTORS' SERVICE CONTRACTS

Except for Mr Jean Michel Giraud who has a contract of employment with the Company, there is no service contract between the Company and any of the Directors.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and the Secretary of the Company benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

SHAREHOLDERS

Substantial Shareholders

Shareholders holding more than 5% of the share capital of the Company at June 30, 2014 were as follows:

Shareholders	Number of shares	% Holding
GML Investissement Ltée	7,764,839	29.29
Forward Investment and Development Enterprises Ltd	2,918,753	11.01

Except for the above, no other entity or individual had an interest of 5% or more in the ordinary share capital of the Company.

CONTRACTS OF SIGNIFICANCE

No Director or any substantial shareholder had a material interest, either directly or indirectly, in a contract of significance entered into by the Company or its subsidiaries.

DONATIONS

The Company and its subsidiary companies have donated Rs 2,045,831 during the year ended June 30, 2014 (2013: Rs 1,212,527) out of which none (2013: Rs Nil) were political donations.

AUDITORS' REMUNERATION

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Audit fees :				
Ernst & Young	2,528	2,353	1,029	980
Other firms	-	-	-	-
Non-audit fees :				
Ernst & Young	533	631	362	265
Other firms	-	-	-	-

The non-audit fees paid by the Group to Ernst & Young comprised of tax services for Rs 283,175 (2013 : Rs 258,048) and of assistance for new IFRS disclosures and out of scope services for Rs 250,000 (2013 : Rs 373,122).

The Group did not pay any non-audit fees to other firms for the year ended June 30, 2014 (2013 : Rs Nil).

DECEMBER 2014

UBP contributes to improve the quality of life of its employees and the development of their children through the opening of a daycare centre.

The United Basalt Products Ltd.

COMPANY
SECRETARY'S CERTIFICATE
JUNE 30, 2014

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.

Christophe Quevauvilliers
Company Secretary

September 25, 2014

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF THE UNITED BASALT PRODUCTS LTD

Report on the Financial Statements

We have audited the financial statements of The United Basalt Products Ltd (the "Company"), and its subsidiaries (the "Group") on pages 48 to 113 which comprise the statements of financial position as at June 30, 2014 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 48 to 113 give a true and fair view of the financial position of the Group and the Company as at June 30, 2014 and of their financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Other Matter

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacities as auditors, tax advisors, and dealings in the ordinary course of business.

We have obtained all the 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 (the "Code"). Our responsibility is to report on the extent of the compliance with the Code of Corporate Governance (the "Code") 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.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, A.C.A.

Licensed by FRC

September 25, 2014

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2014

		THE GROUP			THE COMPANY		
			Restated *	Restated *		Restated *	Restated *
		2014	2013	2012	2014	2013	2012
ASSETS	**Notes**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Non-current assets							
Property, plant and equipment	5	2,757,798	2,917,457	2,957,503	1,373,776	1,414,486	1,441,680
Investment properties	6	16,481	18,390	20,299	210,639	193,663	211,949
Bearer biological assets	7	12,428	11,327	16,113	-	-	-
Intangible assets	8	20,716	20,414	15,612	2,567	2,871	4,484
Investment in subsidiaries	9	-	-	-	828,839	828,839	828,839
Investment in associates	10	191,121	198,750	179,428	110,306	110,306	110,306
Available-for-sale investments	11	58,628	49,596	46,914	53,269	44,725	42,562
Deferred tax assets	13(c)	38,316	35,834	35,156	35,433	32,728	26,252
		3,095,488	3,251,768	3,271,025	2,614,829	2,627,618	2,666,072
Current assets							
Consumable biological assets	14	33,201	35,772	28,262	-	-	-
Inventories	15	670,347	646,374	596,631	226,101	222,333	186,094
Other current financial asset	12	13,795	13,795	13,795	13,795	13,795	13,795
Trade and other receivables	17	574,061	579,900	620,899	647,218	580,291	549,153
Cash at bank and on hand	18	38,700	30,910	28,359	1,845	1,237	1,310
		1,330,104	1,306,751	1,287,946	888,959	817,656	750,352
Asset classified as held for sale	16	80,000	-	-	-	-	-
		1,410,104	1,306,751	1,287,946	888,959	817,656	750,352
TOTAL ASSETS		4,505,592	4,558,519	4,558,971	3,503,788	3,445,274	3,416,424
EQUITY AND LIABILITIES							
Equity							
Issued capital	19(a)	265,100	265,100	265,100	265,100	265,100	265,100
Reserves	19(b)	2,501,372	2,580,190	2,545,753	1,878,880	1,847,433	1,780,616
Equity attributable to shareholders of the parent		2,766,472	2,845,290	2,810,853	2,143,980	2,112,533	2,045,716
Non-controlling interests		55,582	45,774	41,299	-	-	-
Total equity		2,822,054	2,891,064	2,852,152	2,143,980	2,112,533	2,045,716
Non-current liabilities							
Interest-bearing loans and borrowings	20	599,131	113,908	222,034	594,474	84,807	167,772
Deferred tax liability	13(c)	81,434	77,695	78,430	76,196	72,935	71,423
Employee benefit liability	21	249,001	230,299	149,588	202,954	184,726	129,825
		929,566	421,902	450,052	873,624	342,468	369,020
Current liabilities							
Interest-bearing loans and borrowings	20	440,944	910,319	941,778	375,321	875,978	886,556
Trade and other payables	22	300,312	318,717	302,982	106,314	106,685	109,918
Dividend		4,800	4,900	-	-	-	-
Income tax payable	13(b)	7,916	11,617	12,007	4,549	7,610	5,214
		753,972	1,245,553	1,256,767	486,184	990,273	1,001,688
Total liabilities		1,683,538	1,667,455	1,706,819	1,359,808	1,332,741	1,370,708
TOTAL EQUITY AND LIABILITIES		4,505,592	4,558,519	4,558,971	3,503,788	3,445,274	3,416,424

* Certain amounts shown here do not correspond to the 2012 and 2013 financial statements and reflect adjustments made, refer to note 2.4.

These financial statements were approved by the Board of Directors on September 25, 2014 and signed on its behalf by :

Marc Freismuth
Chairman

Jean Michel Giraud
Chief Executive Officer

The notes on pages 52 to 113 form an integral part of these financial statements. Auditors' report on pages 46 and 47.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2014

		THE GROUP		THE COMPANY	
			Restated *		Restated *
		2014	2013	2014	2013
	Notes	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	23	2,362,562	2,443,424	1,291,551	1,425,742
Operating profit	24	188,862	257,254	132,581	245,842
Finance income	25	4,465	4,833	41,083	41,765
Finance costs	26	(85,316)	(75,527)	(57,987)	(68,794)
Share of results of associates	10	12,664	36,092	-	-
Profit before tax		120,675	222,652	115,677	218,813
Income tax expense	13(a)	(26,483)	(43,685)	(16,421)	(31,366)
Profit for the year		94,192	178,967	99,256	187,447
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
Net gain on available-for-sale investments	11	8,900	1,182	8,412	663
Exchange differences on translation of foreign operations		451	(3,443)	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		9,351	(2,261)	8,412	663
Items not to be reclassified to profit or loss in subsequent periods :					
Re-measurement losses on defined benefit plans	21	(6,223)	(60,655)	(3,904)	(49,133)
Income tax effect	13(a)	830	7,494	586	7,370
(Reversal)/revaluation of land and buildings	5	(77,762)	13,447	-	-
Share of reserves in associates	10	(3,309)	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(86,464)	(39,714)	(3,318)	(41,763)
Other comprehensive income for the year, net of tax		(77,113)	(41,975)	5,094	(41,100)
Total comprehensive income for the year, net of tax		17,079	136,992	104,350	146,347
Profit for the year attributable to:					
Equity holders of the parent		68,687	161,555	99,256	187,447
Non-controlling interests		25,505	17,412	-	-
		94,192	178,967	99,256	187,447
Total comprehensive income for the year attributable to:					
Equity holders of the parent		(5,915)	119,260	104,350	146,347
Non-controlling interests		22,994	17,732	-	-
		17,079	136,992	104,350	146,347
Earnings per share - Basic (Rs)	27	2.59	6.09	3.74	7.07

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made, refer to note 2.4.

The notes on pages 52 to 113 form an integral part of these financial statements. Auditors' report on pages 46 and 47.

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2014

THE GROUP	Issued Capital Rs'000	Share Premium Rs'000	Associate Companies Rs'000	Revaluation Reserve Rs'000	Fair Value Reserve Rs'000	Translation Reserve Rs'000	Retained Earnings Rs'000	Total Rs'000	Non-controlling Interests Rs'000	Total Rs'000
	Equity attributable to shareholders of the parent									
At July 1, 2012										
- As previously reported	265,100	7,354	79,415	1,237,889	28,733	61,675	1,178,580	2,858,746	41,388	2,900,134
- Effect of adopting IAS 19 (note 2.4)	-	-	-	-	-	-	(47,893)	(47,893)	(89)	(47,982)
- As restated	265,100	7,354	79,415	1,237,889	28,733	61,675	1,130,687	2,810,853	41,299	2,852,152
Profit for the year	-	-	-	-	-	-	161,555	161,555	17,412	178,967
Other comprehensive income	-	-	-	13,447	1,182	(3,465)	(53,459)	(42,295)	320	(41,975)
Total comprehensive income for the year	-	-	-	13,447	1,182	(3,465)	108,096	119,260	17,732	136,992
Acquisition of non-controlling interest	-	-	-	-	-	-	(5,293)	(5,293)	5,293	-
Dividends (note 28)	-	-	-	-	-	-	(79,530)	(79,530)	(18,550)	(98,080)
At June 30, 2013	265,100	7,354	79,415	1,251,336	29,915	58,210	1,153,960	2,845,290	45,774	2,891,064
At July 1, 2013										
- As previously reported	265,100	7,354	79,415	1,251,336	29,915	58,210	1,254,516	2,945,846	45,565	2,991,411
- Effect of adopting IAS 19 (note 2.4)	-	-	-	-	-	-	(100,556)	(100,556)	209	(100,347)
- As restated	265,100	7,354	79,415	1,251,336	29,915	58,210	1,153,960	2,845,290	45,774	2,891,064
Profit for the year	-	-	-	-	-	-	68,687	68,687	25,505	94,192
Other comprehensive income	-	-	(3,309)	(77,762)	8,900	2,435	(4,866)	(74,602)	(2,511)	(77,113)
Total comprehensive income for the year	-	-	(3,309)	(77,762)	8,900	2,435	63,821	(5,915)	22,994	17,079
Dividends (note 28)	-	-	-	-	-	-	(72,903)	(72,903)	(13,186)	(86,089)
At June 30, 2014	265,100	7,354	76,106	1,173,574	38,815	60,645	1,144,878	2,766,472	55,582	2,822,054

THE COMPANY	Issued Capital Rs'000	Share Premium Rs'000	Revaluation Reserve Rs'000	Fair Value Reserve Rs'000	Retained Earnings Rs'000	Total Rs'000
At July 1, 2012						
- As previously reported	265,100	7,354	505,970	26,782	1,285,153	2,090,359
- Effect of adopting IAS 19 (note 2.4)	-	-	-	-	(44,643)	(44,643)
- As restated	265,100	7,354	505,970	26,782	1,240,510	2,045,716
Profit for the year	-	-	-	-	187,447	187,447
Other comprehensive income	-	-	-	663	(41,763)	(41,100)
Total comprehensive income for the year	-	-	-	663	145,684	146,347
Dividend (note 28)	-	-	-	-	(79,530)	(79,530)
At June 30, 2013	265,100	7,354	505,970	27,445	1,306,664	2,112,533
At July 1, 2013						
- As previously reported	265,100	7,354	505,970	27,445	1,391,169	2,197,038
- Effect of adopting IAS 19 (note 2.4)	-	-	-	-	(84,505)	(84,505)
- As restated	265,100	7,354	505,970	27,445	1,306,664	2,112,533
Profit for the year	-	-	-	-	99,256	99,256
Other comprehensive income	-	-	-	8,412	(3,318)	5,094
Total comprehensive income for the year	-	-	-	8,412	95,938	104,350
Dividend (note 28)	-	-	-	-	(72,903)	(72,903)
At June 30, 2014	265,100	7,354	505,970	35,857	1,329,699	2,143,980

The notes on pages 52 to 113 form an integral part of these financial statements. Auditors' report on pages 46 and 47.

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2014

	Notes	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000
OPERATING ACTIVITIES					
Profit before tax		120,675	222,652	115,677	218,813
Adjustment for:					
Depreciation of property, plant and equipment	5	194,222	205,168	148,640	145,348
Depreciation of investment properties	6	1,909	1,909	16,577	15,101
Amortisation of intangible assets	8	3,577	4,267	1,094	1,613
Write-off of intangible assets	8	280	25	-	-
Write-off of property, plant and equipment	5	11,260	607	-	-
Write-off of available-for-sale investments	11	103	-	103	-
Amortisation of bearer biological assets	7	4,291	5,026	-	-
Movement in retirement benefit obligations	21	12,479	20,056	14,324	5,777
Profit on disposal of property, plant and equipment	24	(8,060)	(2,675)	(5,919)	(2,524)
Share of results of associates	10	(12,664)	(36,092)	-	-
Finance costs	26	85,316	75,527	57,987	68,794
Finance revenue	25	(4,465)	(4,833)	(41,083)	(41,765)
Movement in working capital:					
- Consumable biological assets		2,571	(7,510)	-	-
- Inventories		(23,973)	(49,743)	(3,768)	(36,238)
- Trade and other receivables		5,839	40,999	(66,927)	(31,148)
- Trade and other payables		(18,405)	15,735	(371)	(3,233)
Cash generated from operations		374,955	491,118	236,334	340,538
Interest paid		(85,316)	(75,527)	(57,987)	(68,794)
Interest received		2,674	3,262	2,457	1,575
Income tax paid	13 (b)	(28,097)	(37,994)	(18,340)	(26,564)
Net cash from operating activities		264,216	380,859	162,464	246,755
INVESTING ACTIVITIES					
Proceeds from disposal of property,plant and equipment		25,325	4,345	22,057	2,685
Purchase of property, plant and equipment	18	(220,020)	(150,445)	(152,307)	(114,515)
Purchase of investment properties	6	-	-	(5,314)	(615)
Purchase of intangible assets	8	(4,829)	(8,614)	(790)	-
Expenditure on bearer biological assets	7	(5,392)	(240)	-	-
Purchase of other financial asset	11	(235)	(1,500)	(235)	(1,500)
Acquisition of associates	10	(1,751)	-	-	-
Dividend received from associates		18,735	16,770	26,910	16,770
Dividend received from other equity investment		1,791	1,571	11,716	23,420
Net cash used in investing activities		(186,376)	(138,113)	(97,963)	(73,755)
FINANCING ACTIVITIES					
Proceeds from borrowings		938,588	187,638	819,869	187,668
Repayment of term loans		(889,403)	(297,339)	(751,515)	(261,362)
Repayment of finance lease liabilities		(36,475)	(42,177)	(30,917)	(35,555)
Dividend paid - The Company		(72,903)	(79,530)	(72,903)	(79,530)
Dividend paid - Minority shareholders		(13,186)	(18,550)	-	-
Net cash from financing activities		(73,379)	(249,958)	(35,466)	(188,779)
Increase)/(decrease) in cash and cash equivalents		4,461	(7,212)	29,035	(15,779)
MOVEMENT IN CASH AND CASH EQUIVALENTS					
At July 1,		(214,116)	(204,374)	(222,154)	(206,375)
Exchange difference		191	(2,530)	-	-
Movement		4,461	(7,212)	29,035	(15,779)
At June 30,	18	(209,464)	(214,116)	(193,119)	(222,154)

The notes on pages 52 to 113 form an integral part of these financial statements. Auditors' report on pages 46 and 47.

1. CORPORATE INFORMATION

The United Basalt Products Ltd is a public Company incorporated and domiciled in Mauritius and listed on the official market of the Stock Exchange of Mauritius. Its registered office is situated at Trianon, Quatre Bornes.

The main activities of the Company and its subsidiaries, together referred to as the 'Group', are the manufacture and sale of building materials, provision of workshop services and sale of agricultural products.

The consolidated and separate financial statements for the year ended June 30, 2014 were authorised for issue by the Board of Directors on September 25, 2014 and the statements of financial position were signed on the Board's behalf by Messrs Marc Freismuth and Jean Michel Giraud. The consolidated and separate financial statements will be submitted to the shareholders for approval at the annual meeting.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and complied with the Companies Act 2001.

The consolidated and separate financial statements have been prepared on a historical cost basis except for land and buildings classified under property, plant and equipment, available-for-sale investments and consumable biological assets that have been measured at their fair value as disclosed in the accounting policies hereafter.

The consolidated and separate financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000) except where otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The United Basalt Products Ltd and its subsidiaries as at June 30, 2014.

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

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

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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in statement of profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date at fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in statement of profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(c) Fair value measurement

The Group measures its financial instruments classified as held for sale and non-financial assets such as investment properties and biological assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 —Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available-for-sale financial assets, and for non-recurring measurement, such as assets held for sale.

The Group's management determines the policies and procedures for the measurement of both recurring and non-recurring fair values. Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee, usually every three years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents.

Management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The fair values of the Group's consumable biological assets are determined by management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Property, plant and equipment

Except for freehold land and buildings, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	**2 to 5**
Leasehold properties	**Over lease period**
Plant and equipment	**10 to 33**
Motor vehicles	**20**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Leasehold properties are not capitalised and the lease payments are charged to statement of profit or loss on an accrual basis. Upfront payments on leasehold properties are capitalised and amortised over the lease period.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(e) Investment properties

Investment properties are initially measured at cost, including transaction costs.

The cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequently, the investment properties are stated at historical cost less accumulated depreciation and any impairment in value.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the cost less depreciation at the date of transfer. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Depreciation is calculated on the straight-line method at the rate of 2% to 5% per annum.

(f) Biological assets

Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually seven years.

Consumable biological assets

Consumable biological assets represent standing cane and plants and are stated at fair value. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible assets include software, which is amortised using the straight line method over 6 years.

(h) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in statement of profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Investment in associates (Cont'd)

The profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates is stated at cost. The carrying amount is reduced to recognise any impairment in the value of the investment.

(j) Foreign currency translation

The financial statements of the Group and the Company are presented in Mauritian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation subsequent to January 1, 2005 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(k) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash at bank and on hand, trade and other receivables, loans receivables and quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in profit or loss in finance cost for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables and other financial assets.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive income and credited in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to profit or loss in finance costs. Interest earned whilst holding available-for-sale investment is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Available-for-sale financial investments (Cont'd)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised in profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any impairment losses

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(l) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial liabilities

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(m) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Inventories

Inventory items are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for using average cost method.

Work-in-progress consists of cost incurred on works performed but not yet completed and invoiced at the reporting date.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Retirement benefit obligations

Defined benefit plan

The Group operates a final salary defined benefit plan, the assets of which are held independently and administered by the Anglo-Mauritius Assurance Society Limited. These benefits are funded. The cost of providing pensions under the plan is determined using the projected unit credit valuation method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under administrative expenses in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income

Severance allowance on retirement

For employees that are not covered under any pension plan, the net present value of severance allowances payable under the Employee Rights Act 2008 is calculated independently by a qualified actuary, AON Hewitt Ltd. The expected cost of these benefits is accrued over the service lives of employees on a similar basis to that for the defined benefit plan. The present value of severance allowances has been disclosed as unfunded obligations under employee benefit liability.

(q) Cash and cash equivalents

Cash at bank and on hand in the statement of financial position are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand net of outstanding bank overdrafts.

(r) Distribution to equity holders

The Company recognises a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

(s) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Impairment of non-financial assets (Cont'd)

Impairment losses of continuing operations, including impairment on inventories, are recognised in statement of profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued with the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually at the reporting date, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods

(t) Impairment of non-financial assets

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at each reporting date; either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

(u) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(w) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sugar is recognised based on amount produced and delivered on a sugar price based on the recommendation of the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate.

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised to the extent that the expenses incurred are eligible to be recovered.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when the board of directors of the investee declare the dividend.

Rental income

Rental income arising from investment properties under operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature.

(x) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Taxes (Cont'd)

Current income tax (Cont'd)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses. Deferred tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in statement of profit or loss.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Alternative Minimum Tax

Alternative Minimum Tax (AMT) is provided for, where the Group, which has a tax liability of less than 7.5% of its book profit, pays dividend. AMT is calculated at the lower of 10% of the dividend paid and 7.5% of book profit.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown on the statement of comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

(y) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group's business segments consist of core business activities, retail and agriculture. Most of its activity is performed in Mauritius.

(z) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Property, plant and equipment is not depreciated or amortised once classified as held-for sale. Assets classified as held for sale for are presented separately as current items in the statement of financial position.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of July 1, 2013:

	Effective for accounting period beginning on or after
New or revised standards	
IFRS 10 Consolidated Financial Statements	January 1, 2013
IFRS 11 Joint Arrangements	January 1, 2013
IFRS 12 Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 Fair Value Measurement	January 1, 2013
IAS 27 Separate Financial Statements (2011)	January 1, 2013
IAS 28 Investments in Associates and Joint Ventures (2011)	January 1, 2013
Amendments	
IAS 19 Employee Benefits	January 1, 2013
Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	January 1, 2013
Government Loans (Amendments to IFRS 1)	January 1, 2013
Annual Improvements 2009-2011 Cycle	January 1, 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013
Interpretations	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

The adoption of the standards or interpretations is described below:

<u>New or revised standards</u>

IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities' which are now known as 'structured entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

The Group made a reassessment of its control conclusion for its investees at July 1, 2013 and determined that there is no change. Therefore, the adoption did not have any impact on the financial position or performance of the Group. The Company continues to account for its investment in its subsidiaries at cost in its separate financial statements.

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. This new standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly);
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

The Group made an assessment at July 1, 2013 and concluded that it does not have any joint operation or joint venture. The adoption of the standard did not have any impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 Disclosure of Interests in Other Entities requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- Significant judgements and assumptions - such as how control, joint control, significant influence has been determined;
- Interests in subsidiaries - including details of the structure of the group, risks associated with structured entities, changes in control, and so on;
- Interests in joint arrangements and associates - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information); and
- Interests in unconsolidated structured entities - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

The Group has provided the relevant disclosures in the relevant notes to the financial statements.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

New or revised standards (Cont'd)

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - unobservable inputs for the asset or liability

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified. Additional disclosures have been provided in the relevant notes to the financial statements.

IAS 27 Separate Financial Statements (2011)

This is an amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments / IAS 39 Financial Instruments: Recognition and Measurement.

The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

This new standard had no impact on the financial position or performance of the Group.

IAS 28 Investments in Associates and Joint Ventures (2011)

This Standard supersedes IAS 28 Investments in Associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

The Group assessed the impact of this new standard and concluded that it has no impact on its financial position or performance.

Amendments

IAS 19 Employee Benefits

The Group applied IAS 19 (Revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. The opening statement of financial position of the earliest comparative period presented (January 1, 2012) and the comparative figures have been accordingly restated.

IAS 19 (Revised 2011) changes, amongst other things, the accounting for defined benefit plans. Some of the key changes that impacted the Group include the following:

- All past service costs are recognised at the earlier of when the amendment/curtailment occurs or when the related restructuring or termination costs are recognised. As a result, unvested past service costs can no longer be deferred and recognised over the future vesting period. Previously, the Group and the Company had a balance of unrecognised service costs of Rs 54.8 m and Rs 52.5 m respectively (Rs.47.9m for Group and for Company Rs 44.6m net of tax) as at July 1, 2012. Upon transition to IAS 19 (Revised 2011), this balance was charged to equity (retained earnings) as at July 1, 2012 along with the consequential tax impact. There has been no amortisation on past service costs for the year ended June 30, 2013. Any improvement of benefits giving rise to past service costs have been fully recognised in profit or loss in the respective financial years.

- The interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a net-interest amount under IAS 19 (Revised 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset at the start of each annual reporting period. In view of this change, Rs27m and Rs 22m was charged to the Group's and the Company's profit and loss respectively for year ended June 30, 2013 with a consequential OCI gain. There was no impact on the overall equity of the Group.

IAS 19 (Revised 2011) also requires more extensive disclosures. These have been provided in Note 21.

IAS 19 (Revised 2011) has been applied retrospectively, with following permitted exceptions:

- The carrying amounts of other assets have not been adjusted for changes in employee benefit costs that were included before July 1, 2012; and
- Sensitivity disclosures for the defined benefit obligation for comparative period (year ended June 30, 2013) have not been provided.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

New or revised standards (Cont'd)

Amendments (Cont'd)

IAS 19 Employee Benefits (Cont'd)

As a result of the change in accounting policy, the following adjustments were made to the financial statements:-

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At July 1, 2012		
Increase in employee benefit liability	55,869	52,521
Decrease in deferred tax	(7,887)	(7,878)
Decrease in retained earnings	(47,982)	(44,643)
At June 30, 2013		
Increase in employee benefit liability	59,862	47,224
Decrease in deferred tax	(7,494)	(7,370)
Decrease in other comprehensive income	(53,161)	(41,763)
(Decrease)/increase in administrative expenses	(793)	1,909
2012		
Profit for the year attributable to :		
Equity holders of the parent	-	-
Non-controlling interest	-	-
	-	-
Total comprehensive income for the year attributable to:		
Equity holders of the parent	(47,893)	(44,643)
Non-controlling interest	(89)	-
	(47,982)	(44,643)
2013		
Profit for the year attributable to :		
Equity holders of the parent	516	1,909
Non-controlling interest	277	-
	793	1,909
Total comprehensive income for the year attributable to:		
Equity holders of the parent	(52,577)	(39,854)
Non-controlling interest	209	-
	(52,368)	(39,854)

The transition did not have impact on statement of cash flows. There is no significant impact on the Group's basic and diluted EPS.

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The disclosure requirements in IFRS 7 Financial Instruments: Disclosures were amended to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This amendment had no impact on the disclosures provided by the Group as there has been no offsetting of financial assets and financial liabilities during the year.

Government Loans (Amendments to IFRS 1)

IFRS 1 First-time Adoption of International Financial Reporting Standards was amended to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

This amendment had no impact on the financial position of the Group as it is not a first time adopter of IFRS.

Annual Improvements 2009-2011 Cycle

The following are annual improvements to existing standards:

- IFRS 1 — Permits the repeated application of IFRS 1, and clarification on accounting for borrowing costs on certain qualifying assets;
- IAS 1 — Clarifies the requirements for comparative information;
- IAS 16 — Clarifies the classification of servicing equipment;
- IAS 32— Clarifies that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes; and
- IAS 34 — Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments.

These amendments had no impact on the financial position or performance of the Group.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities were amended to provide additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

The amendments described above did not have any impact on the Group's financial position or performance.

Interpretations

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

Interpretations (Cont'd)

The Interpretation requires stripping activity costs which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

The amendments described above did not have any impact on the Group's financial position or performance as the Group does not engage in mining activities.

2.5 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition	January 1, 2018
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	January 1, 2017
IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	January 1, 2014
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	January 1, 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	January 1, 2014
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	July 1, 2014
Annual Improvements 2010-2012 Cycle	July 1, 2014
Annual Improvements 2011-2013 Cycle	July 1, 2014

	Effective for accounting period beginning on or after
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	January 1, 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 1, 2016
IFRIC 21 Levies	January 1, 2014

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – January 1, 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Amendments in 2009

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances);
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in statement of profit or loss;
- All other instruments (including all derivatives) are measured at fair value with changes recognised in statement of profit or loss; and
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

Amendments in 2010

- A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement; and
- The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within statement of profit or loss.

Amendments in 2013

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures;
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within statement of profit or loss

2.5 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – January 1, 2018 (Cont'd)

Amendments in 2013 (Cont'd)

- Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 14 Regulatory Deferral Accounts - effective January 1, 2016

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. This new standard will not have an impact, as the Group is not a first time adopter of IFRS.

IFRS 15 Revenue from Contracts with Customers - effective January 1, 2017

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:
- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Group is still assessing the impact of this new standard, but it is not expected to have a significant effect on financial performance. There may be an impact on the level of disclosure provided.

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities – effective January 1, 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment is not expected to have an impact on the financial position or performance of the Group.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective January 1, 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

The Group is currently assessing the impact of the amendments on its financial position or performance.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – effective January 1, 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

This amendment may have an impact on the disclosure in future, if assets are impaired and the fair value less costs of disposal is used as the recoverable amount.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) – effective January 1, 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

This amendment will not impact the Group as it does not have any hedge arrangement.

2.5 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective July 1, 2014

This amendment to IAS 19 Employee Benefits clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

The Group is currently assessing the impact of the amendment on its financial position or performance.

Annual Improvements 2010-2012 Cycle - effective July 1, 2014

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- IFRS 2 — Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date; and
- IFRS 8 — Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;
- IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- IAS 24 — Clarify how payments to entities providing management services are to be disclosed.

Annual Improvements 2011-2013 Cycle - effective July 1, 2014

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);
- IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52; and
- IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective January 1, 2016

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11; and
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

The amendment will not have an impact since the Group does not have any interests in joint operations.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) - effective January 1, 2016

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Group does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) - effective January 1, 2016

Amends IAS 16 Property, Plant and Equipment and IAS 41 Agriculture to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The Group is currently assessing the impact of the amendment on its financial position or performance.

IFRIC 21 Levies - effective January 1, 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

2.5 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

IFRIC 21 Levies - effective January 1, 2014 (Cont'd)

It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

This new interpretation will not have an impact on the Group.

No early adoption of these standards and interpretations is intended by the Board of directors.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated and separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating Lease Commitments - Group as Lessee

The entity has entered into leases for motor vehicles and plant and equipment. The Group has classified these leases as operating leases where it has determined that it does not retain all the significant risks and rewards of ownership of these assets.

Capitalisation of spares parts

Spare parts and servicing equipment which have an expected life of more than one year, usually in connection to the life of specific item of property, plant and equipment are classified as property, plant and equipment. They are depreciated over the shorter of the life of the spare or the item of property, plant and equipment they are attached to. All other spares are recognised as inventories and expensed in statement of profit of loss upon consumption.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment.

Revaluation of property, plant and equipment

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair values are determined by independent professional valuers by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties.

Valuation of standing cane

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. Standing cane valuation has been arrived at based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value.

Valuation of plants

The fair value of plants is based on the estimated net present value of future cash flows for the coming crops. Standing plants valuation has been arrived at based on an estimate of the future cash flows arising on a normal crop less budgeted costs discounted at a suitable rate in order to calculate the net present value.

Allowance for doubtful debts

An allowance for doubtful debts is determined using a combination of factors to ensure that the trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions. Also, specific provisions for individual accounts are recorded when the Group becomes aware of the customer's inability to meet its financial obligation such as in the case of deterioration in the customers operating results or financial position.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Pension benefits

The cost of defined benefit pension plans and the present value of pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recognition of deferred tax assets

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

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise bank loans and overdrafts, finance leases, debentures and, trade and payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash at bank and in hand that arise directly from its operations. The Group also holds available-for-sale investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. Senior management ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk objectives.

A description of the various risks to which the Group is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk to which the Group is exposed comprises three types of risk: interest rate risk, foreign currency risk, and equity price risk. Financial instruments affected by market risk include loans and borrowing, available-for-sale investments, and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at June 30, 2014 and 2013.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group's income and operating cash flows are subject to the risks of changes in market interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

Interest rate sensitivity

The following table demonstrates through the impact on floating rate borrowings the sensitivity of the Group's and the Company's profit before tax to a reasonable possible change in interest rates with all other variables held constant. There is no impact on the Group's and the Company's equity.

	THE GROUP		THE COMPANY	
Increase/(decrease) in basis point	**2014**	**2013**	**2014**	**2013**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
+ 50%	**3,105**	(4,776)	**3,005**	(4,748)
- 25%	**(1,552)**	2,388	**(1,502)**	2,374

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit of the functional currency. While revenue is generated principally in the functional currency, significant expenditures are incurred in Euro and US Dollars. The Group does not have a policy to hedge against foreign currency risk.

Foreign currency sensitivity

The following table demonstrates due to changes in the fair value of monetary assets and liabilities the sensitivity of the Group's profit before tax to a reasonably possible change in Euro and US Dollars exchange rates, with all other variables held constant. There is no impact on the Group's equity.

	THE GROUP		THE COMPANY	
Increase/(decrease) in exchange rate	**2014**	**2013**	**2014**	**2013**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Euro +5%	**(1,474)**	(981)	**(961)**	1
Euro -10%	**2,948**	1,961	**1,921**	(1)
US Dollar +5%	**(58)**	(124)	**5**	8
US Dollar -10%	**116**	248	**(10)**	(15)
South African Rand +5%	**71**	(129)	**(3)**	-
South African Rand -10%	**(141)**	258	**6**	-

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Market risk (Cont'd)

(iii) Equity price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The following table demonstrates the impact of a reasonably possible change in the equity prices, with all other variables held constant, on the Group's and the Company's profit before tax or equity, depending on whether the decline is significant or prolonged.

	THE GROUP		THE COMPANY	
Increase/(decrease) in equity prices	**2014**	**2013**	**2014**	**2013**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
+ 5%	**440**	360	**246**	203
- 10%	**(89)**	(72)	**(49)**	(41)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including trade and other receivables and cash at bank.

Trade receivables

Customer credit risk is managed to the Group's established policy, procedures and control relating to customer credit risk management. The Group has established internal policies to determine the credit worthiness and reliability of potential customers.

The requirement for impairment is analysed at each reporting date on an individual basis for balance of more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 17, excluding prepayments. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are diversified and located in well-established industries and markets.

Financial instruments and cash at bank

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's senior management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts.

(c) Liquidity risk

Liquidity risk refers to the possibility of default by the Group to meet its obligations because of unavailability of funds to meet both operational and capital requirements. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and other financial assets), the maturity of its financial obligations and projected cash flows from operations. Moreover, the Group has access to various types of funding like leasing, loans and share capital.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities at June 30, based on contractual undiscounted payment.

THE GROUP	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Above 5 years**	**Total**
At June 30, 2014						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	238,441	55,539	190,003	742,242	-	1,226,225
Trade and other payables	-	300,312	-	-	-	300,312
	238,441	355,851	190,003	742,242	-	1,526,537

	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Above 5 years**	**Total**
At June 30, 2013						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	746,135	21,257	236,214	76,818	-	1,080,424
Trade and other payables	26,893	291,824	-	-	-	318,717
	773,028	313,081	236,214	76,818	-	1,399,141

THE COMPANY	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Above 5 years**	**Total**
At June 30, 2014						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	226,179	24,298	166,014	737,186	-	1,153,676
Trade and other payables	-	106,314	-	-	-	106,314
	226,179	130,612	166,014	737,186	-	1,259,990

	On demand	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Above 5 years**	**Total**
At June 30, 2013						
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Interest bearing loans and borrowings	698,910	19,876	211,084	45,796	-	975,666
Trade and other payables	-	106,685	-	-	-	106,685
	698,910	126,561	211,084	45,796	-	1,082,351

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended June 30, 2014 and June 30, 2013.

The Group monitors capital using a gearing ratio which is interest bearing loans and borrowings divided by equity. The Group's policy is to keep the gearing ratio between 30% and 60%. Capital comprises of equity attributable to the equity holders of the parent.

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	**1,040,075**	1,024,227	**969,795**	960,785
Equity	**2,766,472**	2,845,290	**2,143,980**	2,112,553
Gearing ratio	**38%**	36%	**45%**	45%

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold Land and Buildings	Leasehold Properties	Plant and Equipment	Motor Vehicles	Assets in Progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At July 1, 2012	2,204,022	77,520	1,963,803	157,064	55,127	4,457,536
Additions	12,780	759	125,913	10,358	635	150,445
Transfer to intangible assets	782	-	3,487	-	(4,778)	(509)
Disposals	-	-	(22,231)	(10,787)	-	(33,018)
Write-off	(550)	-	(4,007)	-	-	(4,557)
Revaluation adjustments	13,447	-	-	-	-	13,447
Exchange differences	686	165	4,063	585	1,351	6,850
At June 30, 2013	2,231,167	78,444	2,071,028	157,220	52,335	4,590,194
Additions	10,470	408	158,464	24,734	40,016	234,092
Transfer	(80,000)	(1,964)	(529)	1,272	-	(81,221)
Revaluation reversal	(77,762)	-	-	-	-	(77,762)
Disposals	-	-	(42,119)	(22,805)	-	(64,924)
Write-off	(11,222)	-	(2,049)	-	-	(13,271)
Exchange differences	(6,161)	2,958	(8,978)	(3,947)	(3,550)	(19,678)
At June 30, 2014	2,066,492	79,846	2,175,817	156,474	88,801	4,567,430
DEPRECIATION						
At July 1, 2012	11,410	16,430	1,373,656	98,537	-	1,500,033
Charge for the year	37,029	2,372	144,395	21,372	-	205,168
Disposals	-	-	(21,094)	(10,293)	-	(31,387)
Write-off	-	-	(3,950)	-	-	(3,950)
Exchange differences	670	(533)	2,325	411	-	2,873
At June 30, 2013	49,109	18,269	1,495,332	110,027	-	1,672,737
Charge for the year	38,015	2,673	136,989	16,545	-	194,222
Transfer	-	-	434	-	-	434
Disposals	-	-	(27,371)	(20,758)	-	(48,129)
Write-off	-	-	(2,011)	-	-	(2,011)
Exchange differences	(1,174)	(203)	(5,512)	(732)	-	(7,621)
At June 30, 2014	85,950	20,739	1,597,861	105,082	-	1,809,632
NET BOOK VALUES						
At June 30, 2014	1,980,542	59,107	577,956	51,392	88,801	2,757,798
At June 30, 2013	2,182,058	60,175	575,696	47,193	52,335	2,917,457

(a) The carrying amounts of plant and equipment and motor vehicles held under finance lease as at June 30, 2014 and 2013 were as follows:

	Plant and Equipment	Motor Vehicles	2014	Plant and Equipment	Motor Vehicles	2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost	153,372	173,325	326,697	167,265	156,728	323,993
Accumulated depreciation	(108,699)	(104,459)	(213,158)	(90,648)	(91,346)	(181,994)
Net book values	44,673	68,866	113,539	76,617	65,382	141,999

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE COMPANY	Freehold Land and Buildings Rs'000	Leasehold Properties Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	Asset In Progress Rs'000	Total Rs'000
COST OR VALUATION						
At July 1, 2012	935,215	43,126	1,407,740	83,272	113,268	2,582,621
Additions	10,860	-	97,935	5,720	-	114,515
Disposals	-	-	(17,948)	(7,507)	-	(25,455)
Transfer	13,311	-	99,957	-	(113,268)	-
Transfer from investment properties	4,000	-	-	-	-	4,000
At June 30, 2013	963,386	43,126	1,587,684	81,485	-	2,675,681
Additions	4,195	-	120,787	17,293	10,032	152,307
Disposals	-	-	(36,108)	(17,693)	-	(53,801)
Transfer	-	-	(1,272)	1,272	-	-
Transfer to investment properties	(29,725)	-	-	-	-	(29,725)
At June 30, 2014	937,856	43,126	1,671,091	82,357	10,032	2,744,462
DEPRECIATION						
At July 1, 2012	11,692	13,454	1,064,459	51,336	-	1,140,941
Charge for the year	20,014	2,156	111,229	11,949	-	145,348
Disposals	-	-	(17,948)	(7,346)	-	(25,294)
Transfer from investment properties	200	-	-	-	-	200
At June 30, 2013	31,906	15,610	1,157,740	55,939	-	1,261,195
Charge for the year	18,945	2,156	114,590	12,949	-	148,640
Disposals	-	-	(21,370)	(16,293)	-	(37,663)
Transfer to investment properties	(1,486)	-	-	-	-	(1,486)
At June 30, 2014	49,365	17,766	1,250,960	52,595	-	1,370,686
NET BOOK VALUES						
At June 30, 2014	888,491	25,360	420,131	29,762	10,032	1,373,776
At June 30, 2013	931,480	27,516	429,944	25,546	-	1,414,486

Bank borrowings are secured by fixed and floating charges over the assets of the Group.
Leased liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default.

(a) The carrying amount of plant and equipment and motor vehicles held under finance lease as at June 30, 2014 and 2013 were as follows:

	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2014 Rs'000	Plant and Equipment Rs'000	Motor Vehicles Rs'000	2013 Rs'000
Cost	106,866	38,520	145,386	128,654	44,289	172,943
Accumulated depreciation	(80,725)	(29,516)	(110,241)	(63,721)	(24,378)	(88,099)
Net book values	26,141	9,004	35,145	64,933	19,911	84,844

(b) Revaluation of land and buildings

The fair value of the freehold land and buildings were determined by Société d'Hotman de Spéville, an independent valuer. Fair value is determined by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The date of the revaluation was June 3, 2012. The fair values have been adjusted for lack of marketability. Freehold land and buildings have been classified as level 2, based on sales comparison approach.

The cost, accumulated depreciation and net book values of the land and buildings, had they been stated at historical cost would be as follows:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Cost	1,066,916	1,069,833	1,046,381	1,032,937
Accumulated depreciation	(334,884)	(314,094)	(327,542)	(305,514)
Net book values	732,032	755,739	718,839	727,423

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
COST	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
At July 1,	45,216	45,216	319,709	323,094
Additions	-	-	5,314	615
Transfer to freehold land and buildings	-	-	-	(4,000)
Transfer from property, plant and equipment	-	-	29,725	-
At June 30,	45,216	45,216	354,748	319,709
DEPRECIATION				
At July 1,	26,826	24,917	126,046	111,145
Charge for the year	1,909	1,909	16,577	15,101
Transfer to freehold land and buildings	-	-	-	(200)
Transfer from property, plant and equipment	-	-	1,486	-
At June 30,	28,735	26,826	144,109	126,046
NET BOOK VALUES				
At June 30,	16,481	18,390	210,639	193,663

The investment properties were last revalued on June 3, 2012 by an external independent valuer. The directors performed a valuation of its investment properties and believe that there has been no significant change in the fair value of the investment pertaining to the parent company since the last independent valuation. The valuation was carried out at that date by Société d'Hotman de Speville. Fair value is determined by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The fair value at June 30, 2014 was Rs197.3 m (2013: Rs 197.3 m) for the Group and Rs 620.5 m (2013: Rs 620.5 m) for the Company. The rental income arising during the year amounted to Rs 11.2 m (2013: Rs 8.3 m) for the Group and for the Company Rs 36.9 m (2013: Rs 33.2 m). No direct operating expenses were incurred on the investment properties during the year (2013: Rs Nil). The investment properties have been classified as level 2, based on sales comparison approach.

7. BEARER BIOLOGICAL ASSETS

	THE GROUP	
	2014	2013
Plant canes	Rs'000	Rs'000
At July 1,	11,327	16,113
Expenditure for the year	5,392	240
Amortisation for the year	(4,291)	(5,026)
At June 30,	12,428	11,327
Other information:		
Area harvested (Arpents)	578	591
Cost per Arpents (Rs)	56,062	57,967

8. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY
	Computer Software	Goodwill	Total	Computer Software
COST	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2012	24,823	134,103	158,926	13,605
Additions	2,130	-	2,130	-
Disposals	(624)	-	(624)	-
Write-off	(490)	-	(490)	-
Work in progress	6,484	-	6,484	-
Transfer from property, plant and equipment	509	-	509	-
Exchange differences	27	-	27	-
At June 30, 2013	32,859	134,103	166,962	13,605
Additions	4,036	-	4,036	790
Disposals	(2,036)	-	(2,036)	-
Transfer to property, plant and equipment	(636)	-	(636)	-
Write-off	(444)	-	(444)	(3,595)
Work in progress	793	-	793	-
Exchange differences	(103)	-	(103)	-
At June 30, 2014	34,469	134,103	168,572	10,800
AMORTISATION				
At July 1, 2012	14,643	128,671	143,314	9,121
Amortisation charge	4,267	-	4,267	1,613
Disposals adjustment	(573)	-	(573)	-
Write-off	(465)	-	(465)	-
Exchange differences	5	-	5	-
At June 30, 2013	17,877	128,671	146,548	10,734
Amortisation charge	3,577	-	3,577	1,094
Disposals adjustment	(1,566)	-	(1,566)	-
Transfer to property, plant and equipment	(475)	-	(475)	
Write-off	(164)	-	(164)	(3,595)
Exchange differences	(64)	-	(64)	-
At June 30, 2014	19,185	128,671	147,856	8,233
NET BOOK VALUES				
At June 30, 2014	15,284	5,432	20,716	2,567
At June 30, 2013	14,982	5,432	20,414	2,871

The carrying amount of the goodwill is allocated to the 'Agriculture' cash generating unit (CGU). The recoverable amount of that unit has been determined based on value in use calculation using cash flow projections from financial budgets approved by senior management covering a period of five years. The pre-tax discount rate applied to the cash flow projections is 17% and the cash flows beyond the budgeted period are extrapolated using a 3% growth rate. No additional impairment was required as a result of the analysis.

The value in use calculation is most sensitive to the following assumptions:

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data;

Selling prices – The prices of cane products are obtained from the relevant bodies and adjusted for expected changes for future periods; and

Growth rates – Rates are based on management best estimate of the industry's growth rate.

Management believes that reasonably possible changes in these assumptions will not cause the carrying amount of the cash generating unit to materially exceed its recoverable amount.

9. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
Unquoted equity instruments	2014	2013
	Rs'000	Rs'000
At June 30,	828,839	828,839

Particulars of interests in the Group's subsidiary companies:

		2014 & 2013 % Holding	
OPERATIONAL	Country of incorporation	Direct	Indirect
Espace Maison Ltée	Mauritius	100.0	-
Compagnie de Gros Cailloux Ltée	Mauritius	100.0	-
Société d'Investissement Rodriguais	Mauritius	100.0	-
Welcome Industries Ltd	Mauritius	-	75.9
UBP International Ltd	Mauritius	100.0	-
UBP Madagascar	Madagascar	-	100.0
United Granite Products (Pvt) Ltd	Sri-Lanka	-	77.0
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	-	100.0
Sheffield Trading (Pvt) Ltd	Sri-Lanka	-	100.0
Sainte Marie Crushing Plant Ltd	Mauritius	76.5	-
Societe des Petits Cailloux	Mauritius	-	76.5
Dry Mixed Products Ltd	Mauritius	51.0	-
DORMANT			
Land Reclamation Ltd	Mauritius	100.0	-
Stone and Bricks Co Ltd	Mauritius	100.0	-
The Stone Masters Co Ltd	Mauritius	100.0	-
Pricom Ltd	Mauritius	100.0	-

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summerised financial information of subsidiaries that have material non-controlling interests, based on their IFRS financial statements and before inter-company eliminations are provided below:

2014	Dry Mixed Products Ltd Rs'000	Welcome Industries Ltd Rs'000	United Granite Products (Pvt) Ltd Rs'000	Sainte Marie Crushing Plant Ltd Rs'000
Proportion of non-controlling interests	49.0%	24.1%	23.0%	23.5%
Financial position				
Non-current assets	50,032	14,215	69,613	65,670
Current assets	86,971	23,212	37,643	14,056
Non-current liabilities	(10,145)	(5,240)	(794)	(5,116)
Current liabilities	(51,308)	(4,615)	(121,891)	(8,798)
Net assets/(liabilities)	75,550	27,572	(15,429)	65,812
Carrying amounts of non-controlling interests	37,020	6,645	(3,549)	15,466
Statement of profit or loss and other comprehensive income				
Revenue	282,140	37,587	37,272	59,799
Profit for the year	45,190	5,150	6,665	2,502
Other comprehensive (losses)/income	(900)	127	(8,639)	(485)
Total comprehensive income/(losses)	44,290	5,277	(1,974)	2,017
Profit allocated to non-controlling interests	22,143	1,241	1,533	588
Total comprehensive income/(losses) allocated to non-controlling interests	21,702	1,272	(454)	474
Dividend paid to non-controlling interests	9,800	786	-	2,600
Cash flows				
Operating activities	18,992	5,960	6,071	(1,523)
Investing activities	(17,695)	(624)	(14,661)	(5,590)
Financing activities	(1,300)	(10,407)	18,803	7,686
Net (decrease)/increase in cash and cash equivalents	(3)	(5,071)	10,213	573

2013	Dry Mixed Products Ltd Rs'000	Welcome Industries Ltd Rs'000	United Granite Products (Pvt) Ltd Rs'000	Sainte Marie Crushing Plant Ltd Rs'000
Proportion of non-controlling interests	49.0%	24.1%	23.0%	23.5%
Financial position				
Non-current assets	41,447	17,669	58,937	67,299
Current assets	64,262	20,141	35,066	19,404
Non-current liabilities	(13,285)	(7,162)	(686)	(4,351)
Current liabilities	(41,167)	(5,091)	(106,769)	(7,490)
Net assets/(liabilities)	51,257	25,557	(13,452)	74,862
Carrying amounts of non-controlling interests	25,116	6,159	(3,094)	17,593
Statement of profit or loss and other comprehensive income				
Revenue	267,529	30,498	20,178	63,801
Profit/(losses) for the year	36,692	3,537	(9,090)	2,861
Other comprehensive (losses)/income	(526)	-	2,690	(176)
Total comprehensive income/(losses)	36,166	3,537	(6,400)	2,685
Profit/(losses) allocated to non-controlling interests	17,979	852	(2,091)	672
Total comprehensive income/(losses) allocated to non-controlling interests	17,721	852	(1,472)	631
Dividend paid to non-controlling interests	17,150	-	-	1,400
Cash flows				
Operating activities	2,246	10,639	(353)	2,791
Investing activities	(8,759)	(5,808)	(1,035)	(1,413)
Financing activities	(2,423)	(3,304)	542	(4,100)
Net (decrease)/increase in cash and cash equivalents	(8,936)	1,527	(846)	(2,722)

10. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Unquoted				
At July 1,	198,750	179,428	110,306	110,306
Additions	1,751	-	-	-
Share of results	12,664	36,092	-	-
Movement in reserves	(3,309)	-	-	-
Dividend received	(18,735)	(16,770)	-	-
At June 30,	191,121	198,750	110,306	110,306

10. INVESTMENT IN ASSOCIATES (CONT'D)

Details pertaining to the interests in joint ventures are as follows:

Name of company	Principal activities	Country of incorporation	Proportion of ownership interest (direct & indirect) 2014	2013
Pre-mixed Concrete Ltd	Involve in the manufacturing and placing of ready-mixed concrete	Mauritius	49%	49%
Cement Transport Ltd	Operating a fleet of bulk cement transport trucks, tractors and tankers	Mauritius	25%	25%
Compagnie des Transports Reunis Ltée	Operating a fleet of lorries	Mauritius	30%	30%
Terrarock Ltd	Manufacture and sale of building materials	Mauritius	46%	46%
Sud Concassage Ltée	Manufacture and sale of building materials	Mauritius	25%	25%
Prochimad Mines et Carrières SARL	Mine operation	Madagascar	34%	34%
Compagnie Mauricienne d'Entreprise Ltée	Renting of properties	Mauritius	20%	20%

Summarised financial information of the associates that are material to the Group, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in the Group's financial statements are set out below:

THE GROUP 2014	Pre-mixed Concrete Ltd Rs'000	Terrarock Ltd Rs'000	Compagnie Mauricienne d'Entreprise Ltée Rs'000
Financial position			
Non-current assets	98,966	55,134	96,897
Cash and cash equivalents	-	521	8,877
Other current assets	146,232	41,632	21,803
Current trade and other payables	(67,071)	(5,361)	(394)
Current loans and borrowings	(6,343)	(6,046)	-
Other current liabilities	(27,202)	(6,606)	(542)
Other non-current liabilities	-	-	-
Equity	144,582	79,274	126,641
Proportion of Group's ownership	49%	46%	20%
	70,845	36,466	25,328
Goodwill	48,619	-	-
Carrying amount of investment	119,464	36,466	25,328
Statement of profit or loss and other comprehensive income			
Revenue	503,194	146,622	5,571
Interest income	-	-	2,364
Other income	874	-	-
Depreciation and amortisation	(13,872)	(5,978)	-
Interest expense	-	(11)	-
Other expenses	(487,353)	(119,195)	(658)
Profit before tax	2,843	21,438	7,277
Income tax	(426)	(820)	(944)
Profit for the year	2,417	20,618	6,333
Other comprehensive loss	(5,686)	(770)	-
Total comprehensive (loss)/income	(3,269)	19,848	6,333
Group's share of profit	1,184	9,484	1,267
Group's share of total comprehensive (loss)/income	(1,602)	9,130	1,267

THE GROUP 2013	Pre-mixed Concrete Ltd Rs'000	Terrarock Ltd Rs'000	Compagnie Mauricienne d'Entreprise Ltée Rs'000
Financial position			
Non-current assets	99,473	63,763	84,780
Cash and cash equivalents	14,343	7,439	13,833
Other current assets	187,757	30,191	22,850
Current trade and other payables	(114,079)	(19,682)	(691)
Other current liabilities	(23,141)	(4,270)	(468)
Equity	164,353	77,441	120,304
Proportion of Group's ownership	49%	46%	20%
	80,533	35,623	24,061
Goodwill	48,619	-	-
Carrying amount of investment	129,152	35,623	24,061
Statement of profit or loss and other comprehensive income			
Revenue	586,865	187,681	5,751
Interest income	-	-	25,129
Other income	-	2,210	-
Depreciation and amortisation	(16,232)	(10,315)	-
Other expenses	(543,285)	(145,608)	(648)
Profit before tax	27,348	33,968	30,232
Income tax	(3,523)	(3,915)	(929)
Profit for the year	23,825	30,053	29,303
Other comprehensive income	-	-	-
Total comprehensive income	23,825	30,053	29,303
Group's share of profit	11,674	13,824	5,861
Group's share of total comprehensive income	11,674	13,824	5,861

The associates had no contingent liabilities or capital commitment as at June 30, 2014 and 2013.

Aggregate information on individually immaterial associates	THE GROUP 2014 Rs'000	2013 Rs'000
Carrying amount of investments	9,863	9,914
Profit for the year	729	4,733
Other comprehensive income	(169)	-
Total comprehensive income	560	4,733

The Group has stopped recognising its share of losses in Prochimad Mines et Carrières SARL.

	2014	2013
Unrecognised share of losses for the year	140	-
Unrecognised share of losses as at June 30,	140	-

The associates had no contigent liabilities or capital commitment as at June 30, 2014 and 2013.

11. AVAILABLE-FOR-SALE INVESTMENTS

THE GROUP	Quoted Rs'000	Unquoted Rs'000	Total Rs'000
At July 1, 2012	30,159	16,755	46,914
Additions	-	1,500	1,500
Fair value adjustments	1,182	-	1,182
At June 30, 2013	31,341	18,255	49,596
Additions	-	235	235
Write-off	(103)	-	(103)
Fair value adjustments	8,900	-	8,900
At June 30, 2014	40,138	18,490	58,628

THE COMPANY	Quoted Rs'000	Unquoted Rs'000	Total Rs'000
At July 1, 2012	25,860	16,702	42,562
Additions	-	1,500	1,500
Fair value adjustments	663	-	663
At June 30, 2013	26,523	18,202	44,725
Additions	-	235	235
Impairment	(103)	-	(103)
Fair value adjustments	8,412	-	8,412
At June 30, 2014	34,832	18,437	53,269

FAIR VALUE HIERARCHY

The following table provides an analysis of available-for-sale investments at fair value categorised according to the fair value hierarchy disclosures in note 2.3 (c).

2014	THE GROUP			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	40,138	14,898	-	55,036

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	34,832	14,345	-	49,177

2013	THE GROUP			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	31,341	14,345	-	45,686

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Available-for-sale investments	26,523	14,345	-	40,868

Available-for-sale investments were stated at cost since their fair value could not be reliably ascertained due to the absence of a market and track records for such similar instruments.

	2014 Rs'000	2013 Rs'000
Other available-for-sale investments at cost		
The Group	3,592	3,910
The Company	4,092	3,857

12. OTHER FINANCIAL ASSET

	THE GROUP AND THE COMPANY	
	2014 Rs'000	2013 Rs'000
Loan receivable from associate	13,795	13,795

The loan receivable is unsecured, bears no interest and will be repayable on demand. The fair value of the loan approximates its carrying amount.

13. INCOME TAX

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
(a) In the statements of profit or loss and other comprehensive income:				
Income tax on the adjusted profit for the year	21,567	31,208	13,558	22,657
Corporate social responsibility tax	2,887	5,114	1,808	3,021
Under provision of corporate social responsibility tax	282	-	282	-
(Over)/under provision of income tax in previous years	(340)	1,282	(369)	3,282
Under provision of deferred tax in previous years	1,949	443	2,009	829
Deferred tax charge/(credit)	138	5,638	(867)	1,577
Income tax expense	26,483	43,685	16,421	31,366
Amount in other comprehensive income				
Deferred tax on actuarial gains and losses	830	7,494	586	7,370
(b) In the statements of financial position:				
At July 1,	11,617	12,007	7,610	5,214
Payment during the year	(26,541)	(36,098)	(16,775)	(24,906)
Tax withheld	(1,556)	(1,896)	(1,565)	(1,658)
(Under)/over provision of income tax in previous year	(58)	1,282	(87)	3,282
Income tax expense	24,454	36,322	15,366	25,678
At June 30,	7,916	11,617	4,549	7,610

13. INCOME TAX (CONT'D)

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Deferred tax:				
The amounts presented in the statements of financial position are as follows:				
Deferred tax assets	38,316	35,834	35,433	32,728
Deferred tax liabilities	(81,434)	(77,695)	(76,196)	(72,935)
Net deferred tax liabilities	(43,118)	(41,861)	(40,763)	(40,207)
(d) Movement in deferred tax:				
At July 1,	(41,861)	(43,274)	(40,207)	(45,171)
Under provision of deferred tax in previous years	(1,949)	(443)	(2,009)	(829)
Tax income during the year recognised in other comprehensive income	830	7,494	586	7,370
Deferred tax (charge)/credit	(138)	(5,638)	867	(1,577)
At June 30,	(43,118)	(41,861)	(40,763)	(40,207)

Unused tax losses of the Group that have not been recognised as deferred tax asset amounted to Rs 36 m (2013: Rs 73 m). Deferred tax asset has not been recognised in respect of these losses due to the unpredictability of future profit streams to utilise these losses.

(e) Deferred tax assets and liabilities are attributable to the following:

	THE GROUP 2014	THE GROUP 2013	THE COMPANY 2014	THE COMPANY 2013
Deferred tax liability				
- Accelerated capital allowances	(13,001)	(9,262)	(7,763)	(4,502)
- Deferred tax on revaluation gain	(68,433)	(68,433)	(68,433)	(68,433)
	(81,434)	(77,695)	(76,196)	(72,935)
Deferred tax assets				
- Employee benefit liability	32,406	30,065	30,443	27,996
- Provision for bad debts	2,839	3,330	2,232	2,578
- Provision for obsolete stock	3,071	2,439	2,758	2,154
	38,316	35,834	35,433	32,728
Net deferred tax liabilities	(43,118)	(41,861)	(40,763)	(40,207)

(f) The tax on profit before taxation differs from the theoretical amount that would arise using the basic income tax rate as follows:

	THE GROUP 2014	THE GROUP 2013	THE COMPANY 2014	THE COMPANY 2013
Profit before tax	120,675	222,652	115,677	218,813
Tax calculated at the rate of 15%	18,101	33,398	17,352	32,822
Tax effect of :				
Non-allowable expenses	3,859	1,013	1,133	911
Expenses qualifying for double relief	(1,130)	(1,047)	-	-
Corporate social responsibility	2,887	5,114	1,808	3,021
Other deductible items	(475)	(6,185)	-	(3,470)
Tax effect from associate	(1,941)	(5,414)	-	-
Income exempt from tax	(2,248)	(2,045)	(5,794)	(6,029)
Deferred tax assets not recognised	5,539	12,566	-	-
Utilisation of previously unrecognised tax losses	-	4,560	-	-
(Over)/under provision of income tax in previous years	(58)	1,282	(87)	3,282
Under provision of deferred tax in previous years	1,949	443	2,009	829
Income tax expense	26,483	43,685	16,421	31,366

14. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		
	Standing Cane	Plants	Total
	Rs'000	Rs'000	Rs'000
At July 1, 2012	14,167	14,095	28,262
Movement	7,513	(3)	7,510
At June 30, 2013	21,680	14,092	35,772
Movement	(3,879)	1,308	(2,568)
At June 30, 2014	17,801	15,400	33,201

The consumable biological assets are measured at fair value determined in accordance with the level 3 of the fair value hierachy.

(a) The main assumptions for estimating the fair values are as follows:

Standing cane	**2014**	**2013**
Expected area to harvest (Ha)	214	247
Estimated yields (%)	10.85	10.85
Estimated price of sugar - (Rs per ton)	14,000	16,500
Plants		
Expected area to harvest (Ha)	19	19
Maximum maturity of plants at 30 June	5 years	5 years

(b) Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Discounted cash flows	Cane yield per Ha.	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 243,995.
		Price of sugar	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 1,219,974.
		WACC	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 7,482.
Plants	Discounted cash flows	Average price of plants	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 1,313,069.
		Mortality rate	5% increase/(decrease) in price of plants would result in (decrease)/increase in fair value by Rs 118,558.
		WACC	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 186,817.

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Raw materials and spares	194,960	191,943	137,400	129,787
Work in progress	32,570	33,119	14,808	17,148
Finished goods	442,817	421,312	73,893	75,398
	670,347	646,374	226,101	222,333

The amount of write down of inventories, recognised as an expense in cost of sales amounted to Rs 24.4 m (2013: Rs 29.1 m) for the Group and Rs 7.4 m for the Company (2013: Rs 10.8 m). Included in finished goods are inventories carried at fair value less costs to sell of Rs 8 m (2013: Rs 14 m).

16. ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Transfer from property, plant and equipment (note 5)	80,000	-	-	-
At June 30,	80,000	-	-	-

The Group resolved to dispose of a certain parcel of freehold land. Subsequent to the reporting date, the Group found a potential buyer and negotiation is currently being held over the terms of the potential sale.

17. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Trade receivables	216,789	210,189	99,586	102,229
Receivables from subsidiaries	-	-	425,834	362,197
Receivables from associates	28,557	66,030	28,204	59,989
Loan receivable from subsidiary	-	-	50,148	26,000
Other receivables	312,259	286,530	40,906	26,133
Prepayments	16,456	17,151	2,540	3,743
	574,061	579,900	647,218	580,291

Trade and other receivables are non-interest bearing and are generally on 30 to 90 days' terms. Other receivables are non-interest bearing and having an average term of 6 months. For terms and conditions relating to receivables from related parties, refer to note 29. The fair values of the trade and other receivables approximate their carrying amounts.

As at June 30, the ageing analysis of trade receivables were as follows:

			Past due but not impaired			
	Total	Neither past due nor impaired	30 - 60 days	61 - 90 days	90 days - 1 yr	More than 1 yr
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2014	216,789	69,856	53,477	39,229	24,507	29,720
2013	210,189	87,114	63,351	21,219	21,101	17,404
THE COMPANY						
2014	99,586	34,517	25,330	18,975	12,846	7,918
2013	102,229	37,944	36,334	10,021	14,072	3,858

The movement in the provision for impairment of trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Individually impaired				
At July 1,	39,814	43,278	17,188	24,959
Charge for the year	961	5,421	-	-
Write off	-	(1,142)	-	(1,142)
Release	(2,772)	(7,743)	(1,860)	(6,629)
At June 30,	38,003	39,814	15,328	17,188

18. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash at bank and on hand comprise of the following at June 30:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Cash at bank and on hand	38,700	30,910	1,845	1,237
Bank overdraft (note 20)	(248,164)	(245,026)	(194,964)	(223,391)
	(209,464)	(214,116)	(193,119)	(222,154)

The fair values of the cash and cash equivalents approximate their carrying amounts.

The acquisition of property, plant and equipment was financed as follows:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Non-cash transactions				
Total acquisition cost (note 5)	234,092	150,445	152,307	114,515
Financed by cash	(220,020)	(150,445)	(152,307)	(114,515)
Financed by finance leases	14,072	-	-	-

19. EQUITY

	THE GROUP AND THE COMPANY			
(a) Issued capital	2014 Number of shares	2013 Number of shares	2014 Rs'000	2013 Rs'000
At June 30,	26,510,042	26,510,042	265,100	265,100

	THE GROUP		THE COMPANY	
(b) Reserves	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Share premium	7,354	7,354	7,354	7,354
Associate companies (note (i))	76,106	79,415	-	-
Revaluation reserve (note (ii))	1,173,574	1,251,336	505,970	505,970
Fair value reserve (note (iii))	38,815	29,915	35,857	27,445
Translation reserve (note (iv))	60,645	58,210	-	-
Retained earnings	1,144,878	1,153,960	1,329,699	1,306,664
	2,501,372	2,580,190	1,878,880	1,847,433

19. EQUITY (CONT'D)

Notes:
(i) Associate companies represent reserves other than retained earnings arising on consolidation of associates.
(ii) The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to increases on the same asset previously recognised in equity.
(iii) The fair value reserve records fair value changes on available-for-sale financial assets.
(iv) The translation reserve is used to record exchange differences arising from the translation of the financial statements of overseas operations.

20. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans (note (a))	17,170	62,011	17,170	42,012
Obligations under finance lease (note (b))	21,961	51,897	17,304	42,795
Debentures (note (c))	560,000	-	560,000	-
	599,131	113,908	594,474	84,807
Current				
Bank overdrafts (note 18)	248,164	245,026	194,964	223,391
Bank loans (note (a))	143,800	166,300	123,800	146,300
Unsecured loans (note (d))	19,389	462,863	31,215	475,519
Obligations under finance lease (note (b))	29,591	36,130	25,342	30,768
	440,944	910,319	375,321	875,978
Total borrowings	1,040,075	1,024,227	969,795	960,785

The fair values of the loans and borrowings approximate their carrying amounts, except for debentures.

(a) Bank loans are payable as follows:				
Within one year	143,800	166,300	123,800	146,300
After one year and before two years	15,050	43,800	15,050	23,800
After two years and before five years	2,120	18,211	2,120	18,212
	160,970	228,311	140,970	188,312

Bank loans and overdrafts are secured by fixed and floating charges on the Group's assets and bear interest between PLR +0.5% and PLR +1.5% per annum.

	THE GROUP		THE COMPANY	
(b) Finance lease liabilities	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Minimum lease payments:				
Within one year	32,807	42,466	27,972	35,956
After one year and before two years	16,857	33,710	14,115	28,399
After two years and before five years	6,512	22,547	4,134	17,938
	56,176	98,723	46,221	82,293
Future finance charges on finance leases	(4,624)	(10,696)	(3,574)	(8,730)
Present value of finance lease liabilities	51,552	88,027	42,647	73,563
Within one year	29,591	36,130	25,342	30,768
After one year and before two years	15,749	30,413	13,279	25,788
After two years and before five years	6,212	21,484	4,025	17,007
	51,552	88,027	42,646	73,563

Lease finance carries interest at an annual rate between 8.65% and 11.75%. Leased liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(c) The debentures are unsecured, are repayable in November 2018 and bears interest at repo rate +1.20%. The fair value as at June 30, 2014 was Rs 562.8 m.

(d) Unsecured loans are repayable at call, the rate of interest per annum at June 30, 2014 was 5.85% (2013: 7.00%).

21. EMPLOYEE BENEFIT LIABILITY

The benefits of employees of the Group and the Company fall under two different types of arrangements:
(a) A defined benefit scheme which is funded. The plan assets are held independently by an insurance company; and
(b) Retirement benefits, as defined under the Employee Rights Act 2008, which are unfunded.

The liabilities in respect of the defined benefit schemes (a) and (b) above are analysed as follows:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Funded obligation (note (a))	115,040	110,994	94,255	89,730
Unfunded obligation (note (b))	133,961	119,305	108,699	94,996
	249,001	230,299	202,954	184,726

(a) Funded obligation
(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligation	296,949	272,485	249,811	232,510
Fair value of plan assets	(181,909)	(161,491)	(155,556)	(142,780)
Benefit liability	115,040	110,994	94,255	89,730
At July 1,	110,994	59,250	89,730	51,586
Amounts recognised in profit or loss	20,797	15,729	15,271	12,119
Amounts recognised in other comprehensive income	(1,676)	46,373	(1,831)	34,722
Employer's contribution	(15,075)	(10,358)	(8,915)	(8,697)
At June 30,	115,040	110,994	94,255	89,730

(ii) Changes in the present value of the defined benefit obligation are as follows:				
At July 1,	272,485	208,744	232,510	184,450
Amounts recognised in profit or loss:				
Current service cost	9,966	8,054	6,951	5,602
SIPF 1 liabilities	4,160	-	-	-
Interest cost	20,872	20,356	17,750	17,816
	34,998	28,410	24,701	23,418
Benefits paid	(6,811)	(5,694)	(3,653)	(5,355)
Amounts recognised in other comprehensive income:				
(Gains)/losses due to changes in financial assumptions	(3,928)	41,016	(3,747)	29,997
Employee's contribution	205	9	-	-
At June 30,	296,949	272,485	249,811	232,510

21. EMPLOYEE BENEFIT LIABILITY (CONT'D)

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
(iii) Changes in the fair value of plan assets are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	161,491	149,494	142,780	132,864
Amounts recognised in profit or loss:				
Current cost	99	(280)	(327)	(323)
Cost of insuring risk benefits	(1,478)	(1,400)	(1,095)	(1,091)
SIPF 1 assets	3,123	-	-	-
Interest received	12,457	14,361	10,852	12,713
	14,201	12,681	9,430	11,299
Benefits paid	(6,811)	(5,694)	(3,653)	(5,355)
Amounts recognised in other comprehensive income:				
Gains due to changes in financial assumptions	(2,252)	(5,357)	(1,916)	(4,725)
Employer's contribution	15,280	10,367	8,915	8,697
Defined benefit obligation at June 30,	181,909	161,491	155,556	142,780

(iv) Description of assets

The assets of the plan are invested in the Deposit Administration Policy which is a pooled insurance product for Group Pension Schemes, underwritten by The Anglo-Mauritius Assurance Society Ltd. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as equity funds. Moreover, the Deposit Adminstration Policy offers a minimum guaranteed return of 4% per annum.

The actual return on plan assets for the Company was Rs 8,936,115 for the year ended June 30, 2014.

The actual return on plan assets for the Group was Rs 10,205,115 for the year ended June 30, 2014.

Maturity profile of the defined benefit obligation.

The weighted average duration of the liabilities for the Group and the Company as at June 30, 2014 is 16 years and 13 years respectively.

(v) Expected contribution for the next year

The Group and the Company are expected to contribute Rs 23,810,111 and Rs 17,978,193 respectively to the pension scheme for the year ending June 30, 2015.

(vi) The main actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
Discount rate	7.5%	7.5%	7.5%	7.5%
Future salary increase	6.0%	6.0%	6.0%	6.0%
Future pension increase	0.0%	0.0%	0.0%	0.0%
SIPF 1 pension revaluation	0.0%	0.0%	N/A	N/A

Mortality during active service is assumed to follow that of the standard table known as A67/70 Ultimate. Mortality after retirement is assumed to follow that of the standard table known as a PA90 rated down by three years.

Employees are assumed to retire at 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise, or for late retirements.

(vii) Settlements and curtailments

There have been no events that would need to be treated as Settlements or Curtailments under IAS 19.

(viii) Risks associated with the plans

The Defined Benefit Plans expose the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and salary risk.

Longevity risk

The liabilities disclosed are based on the mortality tables A 67/70 and PA(90)/AMAS buyout rate. Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk

The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise for funded benefits only.

Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(ix) Sensitivity analysis on defined benefit obligation at the end of the period

	THE GROUP	THE COMPANY
2014	Impact	
Discount rate	Rs'000	Rs'000
1% increase	(38,362)	(30,874)
1% decrease	38,362	30,874
Salary increase		
1% increase	(18,314)	(12,789)
1% decrease	18,314	12,789

The sensitivity analysis above has been determined based on sensibly possible changes of the discount rate or salary increase rate occuring at the end of the reporting period if all other assumptions remained unchanged.

(b) Unfunded obligation

The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:

(i) Movement in the liability recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligation	133,961	119,305	108,699	94,996

21. EMPLOYEE BENEFIT LIABILITY (CONT'D)

(b) Unfunded obligation (Cont'd)

	THE GROUP		THE COMPANY	
		Restated		Restated
	2014	2013	2014	2013
(ii) Movement of defined benefit of unfunded oblgation	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1,	119,305	99,498	94,996	78,239
Amounts recognised in profit or loss:				
Current service cost	5,373	5,050	3,950	2,989
Interest expense	9,165	9,455	7,465	7,429
Past service cost	60	510	456	(194)
	14,598	15,015	11,871	10,224
Amounts recognised in other comprehensive income:				
Liability experience losses/(gain)	7,488	(5,730)	5,567	(3,842)
Gains due to changes in demographic assumptions	(14,279)	-	(12,718)	-
Losses due to changes in financial assumptions	14,690	20,012	12,886	18,253
	7,899	14,282	5,735	14,411
Benefits paid	(7,841)	(9,490)	(3,903)	(7,878)
At June 30,	133,961	119,305	108,699	94,996

(iii) Principal assumptions used were as follows:

Financial assumptions:				
Discount rate	8.0%	8.0%	8.0%	8.0%
Future salary increase	6.5%	6.5%	6.5%	6.5%

Demographic assumptions:	
Withdrawal before retirement	5% per annum to age 40, reducing to nil after age 45
Mortality before retirement	A1967/70(2) Ultimate PA90 (rated down by 2 years)
Mortality in retirement	65

(iv) Sensitivity analysis on defined benefit obligation at the end of the period

	THE GROUP	THE COMPANY
	Impact	
	Rs'000	Rs'000
1% increase in discount rate	(11,435)	(9,137)
1% decrease in discount rate	13,331	10,749

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(v) Future cashflows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.
The expected employer contribution for the next year is Rs 859,000.
The weighted average duration of the defined benefit obligation for the Group and the Company is 11 years and 14 years respectively.

The Group and the Company have recognised a net defined liabilites of Rs 112.8 m and Rs 88.4 m respectively in the statement of financial position as at June, 2014 (2013 restated: Group Rs 97 m and Company Rs 72.9 m) in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Employment Rights Act 2008.

In addition, the Group and Company also pay pensions out of the cash flows to some former employees and the net liability recognise as at June 30, 2014 is Rs 20.2 m.

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	134,271	136,478	34,010	44,384
Payables to subsidiaries	-	-	19,313	16,392
Other payables and accruals	166,041	182,239	52,991	45,909
	300,312	318,717	106,314	106,685

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and have an average term of six months. For terms and conditions relating to payables to subsidiaries, refer to note 29. The fair values of the trade and other payables approximate their carrying amounts.

23. REVENUE

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Sale of goods	2,251,231	2,271,660	1,180,048	1,305,764
Rendering of services	111,331	171,764	111,503	119,978
	2,362,562	2,443,424	1,291,551	1,425,742

24. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Operating profit is arrived at after:	Rs'000	Rs'000	Rs'000	Rs'000
(a) Crediting:				
- Rental income	11,186	8,333	36,974	33,218
- Other operating income	47,702	58,965	52,323	58,788
- Profit on disposal of property, plant and equipment	8,060	2,675	5,919	2,524
(b) Charging:				
- Cost of sales	1,576,377	1,626,932	835,978	897,801
- Administrative expenses	607,092	585,731	388,011	360,218
- Selling and distribution costs	57,179	43,480	30,197	16,411
Depreciation of property, plant and equipment:				
- owned assets	162,433	147,055	121,801	113,080
- leased assets	31,789	58,113	26,839	32,268
Depreciation of investment properties	1,909	1,909	16,577	15,101
Cost of inventories recognised as expenses	1,119,822	1,390,654	389,874	356,033
Amortisation of bearer biological assets	4,291	5,026	-	-
Amortisation of intangible assets	3,577	4,267	1,094	1,613
Staff costs (note (i))	431,952	408,904	278,765	268,083
Included in cost of sales and operating expenses are:				
(i) Analysis of staff costs:				
- Wages and salaries	355,222	355,217	232,954	236,989
- Social security costs	15,728	15,276	9,630	9,308
- Pension costs	61,002	38,411	36,181	21,786
	431,952	408,904	278,765	268,083

25. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income:				
- Quoted	725	90	725	133
- Unquoted	1,066	1,481	37,901	40,057
Interest income	2,674	3,262	2,457	1,575
	4,465	4,833	41,083	41,765

26. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Interest expense on:	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts	8,788	6,837	7,916	6,011
Bank loans	10,565	20,188	10,066	15,988
Leases	8,174	10,517	5,186	8,502
Others	57,789	37,985	34,819	38,293
	85,316	75,527	57,987	68,794

27. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
Profit attributable to equity holders of the parent (Rs'000)	68,687	161,555	99,256	187,447
Number of shares in issue	26,510,042	26,510,042	26,510,042	26,510,042
Earnings per share - Basic (Rs)	2.59	6.09	3.74	7.07

There is no instruments (including contigently issuable shares) that could potentially dilute basic earnings per share in the future.

28. DIVIDENDS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend on ordinary shares:				
Dividend of Rs 2.75 per share paid (2013: Rs 3.00 per share)	72,903	79,530	72,903	79,530

29. RELATED PARTY TRANSACTIONS

	The Company		Subsidiary Companies		Associate Companies		Enterprises Under Common Management		Key Management Personnel		Enterprises With Common Major Shareholders	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Nature of transactions												
Purchase of goods and services	73,447	67,911	263,155	252,848	1,136	7,402	376	920	-	12,019	62,029	34,641
Purchase of property, plant and equipment	11,354	220	846	987	386	32	7,126	-	-	-	929	-
Sale of goods and services	336,377	385,077	132,893	103,608	146,842	181,641	25,101	26,146	12,392	390	1,902	1,734
Sale of property,plant and equipment	1,437	6,676	1,453	-	1,250	-	-	-	-	-	-	-
Management fees received	30,449	26,751	-	-	-	-	-	-	-	-	-	-
Rental income	33,804	30,996	-	-	-	-	-	-	-	-	-	-
Rental expenses	-	-	27,893	25,084	-	-	-	-	-	-	5,911	5,911
Management fees paid	-	-	14,406	10,826	9,072	9,284	6,971	5,008	-	-	-	-
Interest received	2,262	1,473	1,014	985	-	-	-	-	-	-	-	-
Interest paid	3,383	5,981	2,262	1,473	791	1,087	163	616	354	15	1,061	3,278
(b) Outstanding balances at June 30,												
Amounts receivable	322,427	162,362	27,002	21,852	27,394	58,611	7,408	3,968	1,869	1,309	2,108	208
Amounts payable	17,703	7,423	290,104	402,562	143	-	-	-	-	-	4,530	4,576
Loans receivable	332,041	370,149	11,667	13,007	1,163	1,378	1,245	2,073	261	617	-	-
Loans payable	31,695	35,932	332,041	370,149	19,836	15,811	33	116	-	-	-	6,998
Provision for impairment	139,013	139,013	-	-	-	-	-	-	-	-	-	-

(c) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Short term employee benefits	64,443	60,889	42,920	40,914
Post-employment benefits	4,704	4,500	2,704	2,715
	69,147	65,389	45,624	43,629

Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken through examining of the financial position of the related party and the market in which the related party operates.

30. CONTRACTS OF SIGNIFICANCE

Except for transactions as disclosed in note 29 on related party transactions, the Group did not have any contract of significance as defined by the Listing Rules of the Stock Exchange of Mauritius with any of its Directors and controlling shareholders.

31. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
Capital expenditure:	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Contracted for but not provided in the financial statements	20,048	21,295	20,048	15,695
Approved by the directors but not contracted for	284,177	273,643	190,431	186,066
	304,225	294,938	210,479	201,761

The expenditure for property, plant and equipment will be financed by cash generated by Group activities and from available borrowing facilities.

32. CONTINGENT LIABILITIES

At June 30, 2014, the Group had contingent liabilities in respect of bank guarantees amounting to Rs 7.2 m (2013:Rs 26.2 m) arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

At June 30, 2014, as far as the Directors are aware, there are no current, pending or threatened legal proceedings against the Group, which may have a material impact on the Group's financial position. This includes a claim lodged by the promoter of a residential project for damages alledgedly suffered as a result of legal proceedings initiated by the Group to stop the same. The Project was in fact stopped by an injuction issued by the Supreme Court following the application of the Group on the ground that, inter alia, it contravened the Black River Outline Scheme (GN 1348 of 2006) by being located within one kilometre buffer zone around the Bambous Stone Crusher Plant. According to the Group's legal advisors, such claim is frivolous and vexatious and should be set aside by the Court.

33. OPERATING LEASE COMMITMENTS

Future minimum rentals payable under operating leases are as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	4,969	11,907	997	8,723
After one year and before two years	4,659	6,027	573	654
After two years and before five years	3,312	2,742	1,753	1,629
	12,940	20,676	3,323	11,006

34. HOLDING COMPANY

The directors regard GML Investissement Ltée incorporated in Mauritius as the holding company. It's registered address is 4th Floor, IBL House, Caudan Waterfront, Port Louis.

35. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date which would require disclosures or adjustments to the June 30, 2014 financial statements.

36. SEGMENTAL INFORMATION

Operating segment information

The Building materials segment is involved in the manufacture and sale of building materials which consists principally of aggregates, rocksand, hollow-concrete blocks and various concrete building components which constitutes our core business. The retail business under the Building materials segment consist of the sale of roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building products and garden accessories.

The Agriculture segment is involved in the cultivation of sugar cane, plants and landscaping services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	THE GROUP				
	Building materials		Agriculture	Consolidation Adjustments	Total
	Retail	Core Business			
2014	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	682,439	1,781,384	81,313	(182,574)	2,362,562
Operating profit/(loss)	5,805	203,323	(20,266)	-	188,862
Net finance costs	(1,636)	(36,829)	(3,074)	(39,312)	(80,851)
Share of results of associates	-	-	-	12,664	12,664
Profit/(loss) before taxation	4,169	166,494	(23,340)	(26,648)	120,675
Income tax expense	-	(26,483)	-	-	(26,483)
Profit/(loss) after taxation	4,169	140,011	(23,340)	(26,648)	94,192
Non-controlling interests	-	-	-	(25,505)	(25,505)
Profit/(loss) for the year attributable to the parent	4,169	140,011	(23,340)	(52,153)	68,687
Other segment information:					
Segment assets	480,747	4,091,197	925,333	(1,182,806)	4,314,471
Investment in associates	-	113,417	-	77,704	191,121
Total segment assets	480,747	4,204,614	925,333	(1,105,102)	4,505,592
Total segment liabilities	190,799	1,951,112	126,231	(584,604)	1,683,538
Capital expenditure:					
Property, plant and equipment	19,422	184,537	30,133	-	234,092
Intangible assets	65	3,942	29	-	4,036
Depreciation and amortisation	8,218	183,243	12,538	-	203,999

36. SEGMENTAL INFORMATION (CONT'D)

	THE GROUP				
	Building materials		Agriculture	Consolidation Adjustments	Total
	Retail	Core Business			
2013	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Revenue	705,922	1,881,344	46,896	(190,738)	2,443,424
Operating (loss)/profit	(13,419)	297,733	(27,060)	-	257,254
Net finance costs	(2,520)	(27,419)	(2,135)	(38,620)	(70,694)
Share of results of associates	-	-	-	36,092	36,092
(Loss)/profit before taxation	(15,939)	270,314	(29,195)	(2,528)	222,652
Income tax (expense)/income	(5,849)	(37,980)	144	-	(43,685)
(Loss)/profit after taxation	(21,788)	232,334	(29,051)	(2,528)	178,967
Non-controlling interests	-	-	-	(17,412)	(17,412)
(Loss)/profit for the year attributable to the parent	(21,788)	232,334	(29,051)	(19,940)	161,555
Other segment information:					
Segment assets	460,324	3,747,031	982,664	(829,250)	4,360,769
Investment in associates	-	198,750	-	-	198,750
Total segment assets	460,324	3,944,781	982,664	(829,250)	4,558,519
Total segment liabilities	172,838	1,902,488	73,359	(481,230)	1,667,455
Capital expenditure					
Property, plant and equipment	4,962	143,847	1,636	-	150,445
Intangible assets	623	1,507	-	-	2,130
Depreciation and amortisation	13,436	193,975	8,958	-	216,369

37. FINANCIAL REVIEW

		Restated	Restated
	2014	**2013**	**2012**
THE GROUP	**Rs'm**	**Rs'm**	**Rs'm**
Issued capital	265.1	265.1	265.1
Reserves	2,501.4	2,580.2	2,545.8
Equity attributable to shareholders of the parent	2,766.5	2,845.3	2,810.9
Assets	4,505.6	4,558.5	4,559.0
Liabilities	1,683.5	1,667.5	1,706.8
Revenue	2,362.6	2,443.4	2,580.4
Profit before taxation	120.7	222.7	203.9
Income tax expense	(26.5)	(43.7)	(32.8)
Profit for the year	94.2	179.0	171.1
Dividend	(72.9)	(79.5)	(72.9)
	Rs	**Rs**	**Rs**
Basic net assets value per share	104.36	107.33	106.03
Basic earnings per share	2.59	6.09	5.64
Dividend per share	2.75	3.00	2.75

		Restated	Restated
	2014	**2013**	**2012**
THE COMPANY	**Rs'm**	**Rs'm**	**Rs'm**
Issued capital	265.1	265.1	265.1
Reserves	1,878.9	1,847.4	1,780.6
Equity attributable to shareholders of the parent	2,144.0	2,112.5	2,045.7
Assets	3,503.8	3,445.3	3,416.4
Liabilities	1,359.8	1,332.7	1,370.7
Revenue	1,291.5	1,425.7	1,447.4
Profit before taxation	115.7	218.8	209.8
Income tax expense	(16.4)	(31.4)	(26.9)
Profit for the year	99.3	187.4	182.9
Dividend	(72.9)	(79.5)	(72.9)
		-	
	Rs	**Rs**	**Rs**
Basic net assets value per share	80.87	79.69	77.17
Basic earnings per share	3.74	7.07	6.90
Dividend per share	2.75	3.00	2.75

NOTES

THE UNITED BASALT PRODUCTS LTD

PROXY FORM

I/We……………………………………………………………………of……………………………………………………………………………

…………………………………………………………………… being a shareholder/shareholders of The United Basalt Products Ltd, do hereby appoint ………………………………………………………………………of………………………………………………

……………………………………………… failing him/her,……………………………………………………………………………………

……………………………………………………of………………………………………………………………………………………………

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Wednesday December 17, 2014 at 15.00 hours and at any adjournment thereof.

I/We wish my/our proxy to vote on the Ordinary Resolutions in the following manner:	For	Against	Abstain
1 To consider the Annual Report 2014 of the Company.			
2 To receive the report of the Auditors of the Company for the year ended June 30, 2014.			
3 To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2014.			
4 To re-elect as Director of the Company, Mr E. Jean Mamet, aged above 70, who offers himself for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.			
5-13 To elect as Directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon recommendation from the Corporate Governance Committee, to hold office until the next Annual Meeting:			
5 Mr Marc Freismuth			
6 Mr François Boullé			
7 Mr Jean Michel Giraud			
8 Mr Joël Harel			
9 Mr Laurent de la Hogue			
10 Mr Arnaud Lagesse			
11 Mr Stéphane Lagesse			
12 Mr Thierry Lagesse			
13 Mr Jean Claude Maingard			
14 To appoint the Auditors of the Company for the year ending June 30, 2015 and to authorise the Board of Directors to fix their remuneration.			

Dated this ………………………………day of ……………………………………2014.

……………………………………………………………

Signature(s)

Notes:

1 A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a shareholder or not) to attend and vote on his/her behalf.

2 Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.

3 The instrument appointing a proxy or any general power of attorney, duly signed, should be deposited at the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four hours before the time fixed for the holding of the meeting or else the instrument of proxy shall not be treated as valid.

Head Office: Trianon,
Quatre Bornes, Mauritius
Tel: (+230) 454 1964
Fax: (+230) 454 8043
Email: info@ubpgroup.com
Web: www.ubpgroup.com