NOVUS PROPERTIES LTD
AND ITS SUBSIDIARIES

ANNUAL REPORT – YEAR ENDED

JUNE 30, 2018

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Novus Properties Ltd and its subsidiaries for the year ended June 30, 2018, the contents of which are listed below:

This report was approved by the Board of Directors on 28 SEP 2018

Director

Director

CONTENTS **PAGES**

DIRECTORS

	Date appointed
Jean Didier Merven	December 8, 2005
Michel Guy Rivalland	December 8, 2005
Laurent Bourgault Du Coudray	April 3, 2014
Mark Colin Cridlan	June 30, 2018
Omabhinavsingh Juddoo	June 30, 2018
Marie Christine Dove	June 30, 2018

	Date resigned
Michel Guy Rivalland	June 30, 2018

SECRETARY

NWT Secretarial Services Ltd (formerly known as FWM Secretarial Services Ltd)
6th Floor, Dias Pier Building,
Le Caudan Waterfront,
Caudan, Port Louis.

REGISTERED OFFICE

C/o NWT Secretarial Services Ltd
6th Floor, Dias Pier Building,
Le Caudan Waterfront,
Caudan, Port Louis.

AUDITORS

BDO & CO
Essar Building,
10, Frère Felix de Valois Street,
Port Louis.

BANKERS

The Mauritius Commercial Bank Limited
Sir William Newton Street,
Port Louis.

PRINCIPAL ACTIVITY

The principal activity of the Company is property development for sale and/or rent.

BUSINESS REVIEW

RESULTS

Company

The results for the year are shown on page 7.

The Company's rental, investment and other income for the year amounted to Rs.9,149,805 (2017: Rs.7,929,733). The profit for the year after taxation amounted to Rs.4,197,298 (2017: Rs.4,762,156).

Group

The Group's rental, investment and other income for the year amount to Rs.13,046,982 (2017: Rs.10,788,943) and the profit for the year after tax amounted to Rs.10,445,200 (2017: Rs.6,622,422).

DIRECTORS

The name of directors of the Company and each subsidiary at the end of the accounting period are :

Novus Properties Ltd

Mr. Jean Didier Merven
Mr. Laurent Bourgault Du Coudray
Mr. Mark Colin Cridlan
Mr. Omabhinavsingh Juddoo
Mrs. Marie Christine Dove

Novus Industrial Properties Ltd

Mr. Jean Didier Merven
Mr. Laurent Bourgault Du Coudray
Mr. Michel Guy Rivalland

Novus GRNW Properties Ltd (formerly known as Mechanization Investment Ltd)

Mr. Laurent Bourgault Du Coudray
Mr. Omabhinavsingh Juddoo

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company and its subsidiaries have service contracts.

DIRECTORS' REMUNERATION AND BENEFITS

None of the directors received any remuneration and benefits from the Company and its subsidiaries.

CONTRACT OF SIGNIFICANCE WITH DIRECTORS

There was no contract of significance subsisting during the period to which the Company and its subsidiaries is a party and in which a director is or was materially interested, either directly or indirectly.

DONATIONS

The Company and its subsidiaries did not make any political or charitable donations during the year (2017: Nil).

AUDITORS' FEES

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
The fees to the auditors BDO & Co for audit and other services were accrued as follows:					
Audit fees		**145,000**	120,000	**145,000**	120,000
Other services		**40,000**	20,000	**40,000**	20,000
	Rs.	**185,000**	140,000	**185,000**	140,000

Approved by the Board of Directors on ......2 8 SEP 2018......
and signed on its behalf by:

....
Director

....
Director

INTRODUCTION

Novus Properties Ltd ('Novus' or the 'Company') and its subsidiaries (together referred to as the 'Group') are committed to achieving high standards of corporate governance and recognises the importance of good governance to ensure continued growth and create sustainable value for all its stakeholders. The principal activity of the Group is property development for sale and/or rent. As a Public Interest Entity ('PIE'), the Board of Directors (the 'Board') has made concerted effort to apply the principles as set out in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') which is based on a 'apply and explain' basis.

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board is collectively responsible for the Group's leadership, strategy, values, standards, control, management and the long-term success of the Group. It is also responsible for providing strong leadership and independent judgement for complying with all legal and regulatory requirements.

In line with the requirements of the Code, the Company is in process of finalising its Board Charter, Code of Ethics and Statement of Accountabilities which will be approved before the next financial year end.

Key Governance Positions

Chairman of the Board

The key responsibilities of the Chairman of the Board are as follows:

- To preside over meetings, encourage participation of Directors in Board matters and mediate differences of opinion;
- To participate in the nomination of Directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise;
- To monitor and evaluate Board and directors' appraisals;
- To guide the Board and Senior Management, ensuring time for consultation, preparing of Board's agenda and minutes, and supervision of implementation of resolutions;
- To ensure adequate succession planning for the Directors and Management;
- To ensure that all relevant information on financial and operating matters are placed before the Board to enable Directors to reach informed decisions;
- To ensure adoption of good corporate governance practices; and
- To maintain relations with the shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

Mr Jean Didier Merven is the Chairman of the Board and a brief profile is found on page 3(a).

Executive & Managing Director

The key responsibilities of the Executive & Managing Director are as follows:

- To develop and implement the Group's long and short-term strategy with a view to creating shareholder value;
- To be responsible for the day to day management of the Group;
- To monitor and supervises all processes, work in progress and the activities of the Group as a whole; and
- To be the main point of contact between the Board and Management.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

Key Governance Positions (continued)

Mr. Omabhinavsingh Juddoo is the Executive & Managing Director and a brief profile is found on page 3(b).

The Company does not have any employees at senior governance position since it has a management contract with AXYS Treasury Ltd for management, consultancy and accounting services. Messrs Omabhinavsingh Juddoo and Laurent Bourgault Du Coudray, who are employed by AXYS Treasury Ltd, sit on the Board of the Novus and its subsidiaries.

The Company has implemented action plans to create and design a website which is expected to be ready by mid of next financial year.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, NWT Secretarial Services Ltd, through its representative V.Oomadevi Chetty, who is responsible for providing guidance to the Board as to their duties, responsibilities and powers.

The Company Secretary ensures that the Board procedures are followed and that applicable rules and regulations as well as principles of good governance are adhered to.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board has aimed to create the right balance and composition in such a way as to best serve the Group. Given the size and the sector of activities of the Group, the Directors consider that the current Board is of reasonable size and possess the appropriate mix of competencies, experience, skill and independence to efficiently manage the affairs of the Group. In line with the requirements of the Code, an independent director and a non-executive director have been appointed on the Board in June 2018. Most of the Directors have a relationship with the majority shareholders of the Company.

The Group is currently managed by a unitary Board of five members (5) who are all residents of Mauritius, out of whom two (2) are Executive Directors, two (2) are Non-Executive Directors and one (1) is an Independent Non-Executive Director.

Members of the Board at June 30, 2018 are as follows:

Jean Didier Merven
Non-Executive Director & Chairman

Jean Didier Merven spent many years in Australia and moved back to Mauritius in 1988, He started portfolio management on an individual basis before setting up Portfolio & Investment Management Ltd (PIM) in 1992, the very first professional portfolio management company in Mauritius. Over the following 22 years PIM developed the AXYS Group which evolved from these beginnings into a diversified financial services company.

Directorship in other listed companies: United Investments Ltd, Novare Africa Fund PCC in respect of its cell Novare Africa Property Fund One.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Omabhinavsingh Juddoo
Executive and Managing Director

Omabhinavsingh Juddoo holds a Masters in International Business from Curtin University of Australia and is a member of the ACCA (UK). His fields of expertise are Project Management, Treasury and Transaction Advisory. He has been managing the operations of the Company and its subsidiaries since he joined AXYS Group in 2013 and extensively contributes to the expansion of the Group. He was also actively involved in the process of listing of the Company in the Development and Enterprise Market of the Stock Exchange of Mauritius in 2014.

Directorship in other listed companies: None.

Laurent Bourgault Du Coudray
Executive Director

Laurent Bourgault du Coudray holds a degree in Accounting and Finance from Curtin University in Perth and is also a member of the Chartered Accountants Australia & New Zealand. He was appointed Project Manager of United Investments Ltd ('UIL') in January 2013 after working several years at Deloitte in Perth, Australia. Alongside his transversal operational role across the subsidiaries of the UIL Group, he is an executive member of the UIL's merger and acquisition team.

Directorship in other listed companies: Les Gaz Industriels Ltd.

Marie Christine Dove
Non-Executive Director

Marie Christine Dove is a qualified member of ACCA (UK). She has previously worked for three years in the Audit department at DCDM and a further 3-years in the Accounting team of Rogers Group. She joined AXYS Group in 2005 as Financial Accountant, where she headed the Accounts and Finance department. In August 2010, Christine was appointed Financial Accountant for UIL Group.

Directorship in other listed companies: None.

Mark Colin Cridlan
Independent Director

Mark Cridlan is a Chartered Quantity Surveyor (RICS) and a member of the Mauritius Association of Quantity Surveyors. He is director of Milestone Construction Consultants Ltd and has more than 38 years of experience in the construction industry. He has vast experience in the construction of large mass housing projects, high end houses under the PDS / RES /IRS schemes, office buildings and showrooms, refurbishment of offices including fit-out, power stations, commercial developments, new hotels and renovation of hotels as well as residential developments.

Directorship in other listed companies: None.

Directors' and officers' interests in Novus shares

The Directors follow the principles of the model code on securities transactions as detailed in the Mauritius Stock Exchange listing rules and in accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in the shares of the Company are kept in a Register of Directors' Interests by the Company Secretary. The register is available to shareholders upon request to the Company Secretary.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Directors' and officers' interests in Novus shares (continued)

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Group in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them. When it appears to be a conflict of interest, any Director who could have such a conflict of interest will abstain from discussions at Board meetings when the relevant matter is tabled.

Moreover, pursuant to the Securities Act 2005, Novus registered itself as a reporting issuer with the Financial Services Commission ('FSC') and makes every effort to follow the relevant disclosure requirements. The Group keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other insiders of Novus.

List of Directors' Direct and Indirect Interest in Novus as at June 30, 2018

Directors	Direct Shareholding		Indirect Shareholding
	Number of shares	Percentage (%)	Percentage (%)
Jean Didier Merven	-	-	4.62
Omabhinavsingh Juddoo	4,400	0.03	0.02
Laurent Bourgault Du Coudray	13,000	0.09	0.00
Marie Christine Dove	-	-	0.00
Mark Colin Cridlan	-	-	-

Board Committees

The Board is of the view that the nature of business of the Company does not require the setting up of different board committees. Should the need arise, the Board of Directors would set up appropriate committees in the future.

No Board meetings were held during the financial year under review and all major decisions taken were confirmed by way of Directors' resolutions. The Board is however committed to convene quarterly meetings.

PRINCIPLE 3: DIRECTOR'S APPOINTMENT PROCEDURES

The Board is responsible in appointing Directors and major factors that are considered in the appointment procedures are:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Balance on the Board such as gender and age;
- Fees requested by prospective Director; and
- Potential conflict of interest.

The appointment of new directors are subject to confirmation by shareholders at the next Annual Meeting of Shareholders following their appointment

PRINCIPLE 3: DIRECTOR'S APPOINTMENT PROCEDURES (CONTINUED)

Board Induction

The Board is also responsible for the succession planning and induction of new Directors. Newly appointed Directors receive a complete induction pack which includes their duties and responsibilities under the respective legislations.

Though the Board does not organise or enrol its members on specific training session, it encourages all its Directors to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius.

One of the responsibilities of the Board is to ensure that there exists a succession plan for appointments to the Board.

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE

All the Directors on the Board are fully apprised of their legal and fiduciary duties as laid out in the Companies Act 2001.

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

Related Party Transactions

Related party transactions are disclosed on note 23 of the financial statements and have been made at arms' length, on normal commercial terms and in the normal course of business.

Remuneration Policy

Though the Group does not have a formal remuneration policy, the Board of Directors is focused on optimising performance of the Group.

No fees were paid to the Directors during the financial year ended June 30, 2018 and 2017.

Information Technology and information IT Security

The Board of Directors is aware that a strategic alignment of information security with business strategy is important to achieve organisational goals. The Board is responsible to ensure that adequate controls and information systems are in place to implement the Group's policy on IT which also falls under the Operational Risks of the Group.

As such, the Board ensures that appropriate resources are allocated for the implementation of an information and IT security framework within the organisation and have implemented the following measures:

- Every executive director requires a strong password which is obligatorily renewed on a periodic basis;
- Access to online emails is also protected by verification codes; and
- Regular trainings are organised to improve awareness and alertness of executive directors to potential threats to IT security.

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Board Evaluation

A Board evaluation is scheduled in 2019 following which the professional development and ongoing education of each director will be defined. It is an important exercise to evaluate the Directors' performance and their contribution to the success of the Group.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of risk management and internal control. The governance of risk, the nature and risk appetite of the Group remain the ultimate responsibility of the Board which is assisted by management to monitor, implement and enforce internal controls to minimise risk as well as achieve strategic objectives.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Group has an established risk management process to manage and mitigate those key risks which could impact on its activities.

The following key risks have been identified:

- **Financial risk**
  The Group maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. This risk is addressed by Internal Control, Accounting, Auditing and Internal Audit practices (as detailed below).

- **Compliance risk**
  The Board takes the necessary actions to ensure compliance to the applicable laws and regulations in the operations of the Group.

- **Technological risk**
  The Board ensures that IT systems are in place to provide financial and operational performance data for management accounting purposes.

- **Business continuity**
  Novus has registered address at the office of UIL. For business under the custody of UIL group of companies, daily back-ups of data are made and are kept at end of each week in a safety deposit box offsite and a disaster recovery plan has contracted with a renowned telecommunication institution.

- **Solvency and liquidity risk**
  Prudent solvency and liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market conditions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

- **Physical, operational and human resource risk**
  The Group has a renewal insurance contract covering the Group's assets against disasters, loss of rent and public liability.

For each major risk identified, a mitigating or correcting measure is taken.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal controls

The Board has overall responsibility for the system of internal control. A sound system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control put in place by management to respond to the above includes:

- Maintaining proper accounting records to ensure effective operation of the business and compliance;
- Implementing the strategies and policies adopted by the Board, and for managing all of the activities, including the operation of the internal control system.

The Board has also established key processes for monitoring the system of internal control as follows:

- IT systems are in place to provide financial and operational performance data for management accounting purposes; and
- Review of the accounting information takes place on a regular basis at Board level and remedial action is taken promptly, where necessary.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the financial statements in accordance to the International Financial Reporting Standards which fairly present the state of affairs of the Group. The financial and operational performance of the Group is detailed in the Annual Report.

Safety, Health and Environment

Novus has its registered address at the office of United Investments Ltd, which believes in providing and maintaining a safe and healthy work environment for all Directors of Novus and its project administrators. The Group through its established policies encourages the enhancement of safety and health standards in the workplace.

Code of Ethics

Though the Group has not yet adopted a formal Code of Ethics, it is committed to the highest standards of integrity and ethical conduct in dealing with all stakeholders. The Group firmly believes in values such as honesty, respect, fairness, steadiness and courtesy.

PRINCIPLE 7: AUDIT

Internal Auditors

No internal audit investigation was requested during the year ended June 30, 2018 (2017: Nil).

External Auditors

The Board is responsible for the appointment and if necessary, the replacement and removal of the external auditors. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should observe the highest standards of business and professional ethics and in particular their independence should not be impaired in any manner.

PRINCIPLE 7: AUDIT (CONTINUED)

External Auditors (continued)

The current auditors are BDO & Co since June 2015 and their tenure of office will be reviewed in due course in line with good governance.

The Board is responsible for reviewing with the external auditors the letter of engagement, terms and nature of the audit scope and approach and ensure that no restrictions or limitations have been placed on the scope. The external auditors report directly to the Board which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements.

Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

The fees to the auditors BDO & Co for audit and other services were accrued as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.	Rs.	**Rs.**	Rs.
Audit fees	**145,000**	120,000	**145,000**	120,000
Other services	**40,000**	20,000	**40,000**	20,000
Rs.	**185,000**	140,000	**185,000**	140,000

Other services relate to the review of the financial statements of the two subsidiaries of the Group at year end. The Directors are of the view that the auditors' objectivity and independence are safeguarded in the exercise of this review.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDER AND OTHER KEY STAKEHOLDERS

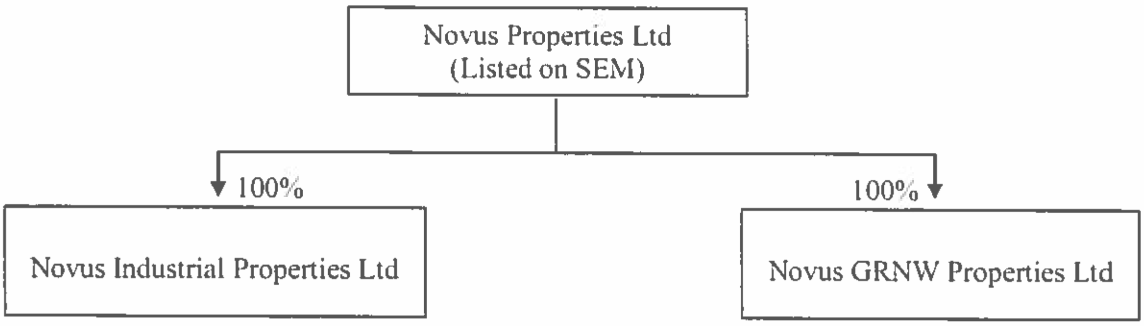
The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Group. It also endeavours to regularly inform the shareholders on matters affecting the Group by announcements in the press, disclosures in the Annual Report and at the Annual Meeting of shareholders.

The following shareholders held 5% or more of the shareholding of the Group as at June 30, 2018:

Shareholders	% Holding
Firefox Ltd	34%
Michel PITOT	10%
Portfolio Investment and Management Limited	8%
Goldstream Ltd	7%
United Investments Ltd	7%

PRINCIPLE 8: RELATIONS WITH SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONTINUED)

The shareholding structure of the Group as at June 30, 2018 was as follows:



Calendar

November 2018	Publication of 1st quarter results
December 2018	Annual Meeting of Shareholders
February 2019	Publication of 2nd quarter results
May 2019	Publication of 3rd quarter results
September 2019	Publication of audited financial statements for the year ending June 30, 2019

Agreements

No major agreements, other than those in the ordinary course of business, were contracted by Novus during the year under review.

Dividend Policy

Novus does not have any formal dividend policy and the dividend pay-out is subject to the performance of the Group and to the satisfaction of the solvency test as defined in the Companies Act 2001.

An interim dividend of Rs. 3,444,675 has been paid during the year and a final dividend of Rs. 3,444,675 declared and not yet paid as at June 30, 2018 (2017: interim paid Rs. 2,480,166 and final declared Rs. 2,755,740).

Employee Share Option Plan

The Group does not have any Share Option Plan.

Donations

The Group made no social or political donations during the year under review (2017: Nil).

Statement of Directors' Responsibilities in Respect of the Financial Statements at June 30, 2018

The Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at June 30, 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes for the year ended June 30, 2018, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

The Director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting judgments and estimates that have been used consistently.

The Directors have made an assessment of Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

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

The Directors confirm that:

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

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

(iii) International Financial Reporting Standards have been complied with.

The Directors confirm that the Code of Corporate Governance has been adhered to, except to those disclosed in the Statement of Compliance on page 3(j).

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Director

Name: Omabhinavsingh Juddoo

Date: 28 SEP 2018

....
Director

Name: Laurent Bougault Du Coudray

Date: 28 SEP 2018

STATEMENT OF COMPLIANCE

Name of PIE: Novus Properties Ltd
Reporting Period: 30 June 2018

We, the Directors of the Group confirm that to the best of our knowledge that the Group has complied with all its obligations and requirements under the Code of Corporate Governance except for the following:

Principles	Reasons for non-compliance
Code of ethics Principle 1: Approval of Code of Ethics by the Board Principle 4: Regular monitoring and evaluation of compliance with Code of Ethics	In line with the recommendations of the Code, the Board will approve a Code of Ethics in the next financial year. The Code of Ethics will be regularly reviewed and monitored by the Board.
Board Charter Principle 1: Approval of Board Charter by the Board Principle 2: Frequent reassessment of the board charter by the Board	In line with the recommendations of the Code, the Board will approve a Board Charter in the next financial year. The Charter will be regularly reviewed and monitored by the Board.
Statement of Accountabilities	In line with the recommendations of the Code, the Board will approve a Statement of accountabilities in the next financial year.
Whistle-Blowing procedures Principle 5: Documentation on internal whistle-blowing rules and procedures	Whistle-blowing procedures will be elaborated within the Code of Ethics and will be published on the website, when available.
Board evaluation process and development plan Principle 4: Evaluation process and Development plan of Board, Board Committees and Directors	No Board Evaluation and Development Plan have been conducted for the year under review. The Board is, however, considering the implementation of a formal Board Evaluation and Development plan in line with the Code.

Besides, in order to comply with the provisions of the Code, the Company has implemented action plans to create and design a website which is expected to be ready by mid of next financial year.

....
Director

Name: Onabhinavsingh Juddoo

Date: 28 SEP 2018

....
Director

Name: Laurent Bourgault Du Coudray

Date: 28 SEP 2018

COMPANY'S SECRETARY CERTIFICATE - YEAR ENDED JUNE 30, 2018

(Pursuant to Section 166 (d) of the Companies Act 2001)

We certify that, based on the records and information made available to us by the directors and shareholders of the Company, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2018, all such returns as are required of the Company under the Companies Act 2001.

NWT SECRETARIAL SERVICES LTD

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V.Oomadevi Chetty
Per NWT Secretarial Services Ltd (IWM Secretarial Services Ltd)
Company Secretary
7th Floor, Dias Pier Building,
Le Caudan Waterfront,
Caudan, Port Louis, Mauritius.

Date: 28 SEP 2018

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Novus Properties Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Novus Properties Ltd and its subsidiaries (the Group), and the Company's separate financial statements on pages 6 to 33 which comprise the statements of financial position as at June 30, 2018 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 6 to 33 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Valuation on investment properties

KEY AUDIT MATTER

Investment Properties is the largest amount in the Group's Statement of Financial Position and is valued at Rs. 185.3m at June 30, 2018 (2017: Rs. 126.3m).

The Group measures its Investment Properties at fair value. Valuations are performed by an independent professionally accredited expert, in accordance with Royal Institute of Chartered Surveyors (RICS) Standards and performed with sufficient regularity to ensure that the carrying value is not materially different from the fair value at the Statement of Financial Position date.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
To the Shareholders of Novus Properties Ltd

Key Audit Matters (cont'd)

1	**Valuation on investment properties (cont'd)**

KEY AUDIT MATTER

The policy of the Group is to value its Investment Properties by External Valuers, every 3 years, the last one being performed in June 2016.

The directors consider the fair value at June 30, 2018 to be not materially different from the valuation carried out in June 2016.

AUDIT RESPONSE

The Sales Comparison Approach has been used by the expert to value Investment Properties in June 2016.

We ensured that there has been no major fluctuation in market values of properties since last valuation.

The results of these procedures did not identify any issues with valuation of Investment Properties in the financial statements.

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

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

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

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)
To the Shareholders of Novus Properties Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
To the Shareholders of Novus Properties Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Companies Act 2001
We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004
The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

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

Other Matter

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

BDO & Co

BDO & Co
Chartered Accountants

Per Marie Louise Teng Hin Voon A.C.A
Licensed by FRC

Port Louis,
Mauritius.

2 8 SEP 2018

STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2018

	Notes	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	5	2,185,258	2,390,652	152,115	93,155
Investment properties	6	185,300,000	126,300,000	94,500,000	94,500,000
Intangible assets	7	2,038,641	2,038,641	-	-
Investment in subsidiaries	8	-	-	22,149,271	4,350,000
Deferred tax assets	9	798,490	1,192,101	798,490	1,192,101
		190,322,389	131,921,394	117,599,876	100,135,256
Current assets					
Trade and other receivables	10	1,538,476	1,158,690	22,748,395	25,713,397
Cash and cash equivalents		17,134,502	7,502,383	16,417,904	6,342,081
		18,672,978	8,661,073	39,166,299	32,055,478
Non-current assets classified as held for sale	11	-	32,540,350	-	32,540,350
TOTAL ASSETS	Rs.	208,995,367	173,122,817	156,766,175	164,731,084
EQUITY AND LIABILITIES					
Equity					
Share capital	12	106,042,887	106,042,887	106,042,887	106,042,887
Retained earnings		30,077,272	26,521,422	16,194,480	18,886,532
Total equity		136,120,159	132,564,309	122,237,367	124,929,419
Non-current liabilities					
Deferred tax liabilities	9	22,817	13,973	22,817	13,973
Borrowings	13	37,000,000	35,000,000	-	35,000,000
		37,022,817	35,013,973	22,817	35,013,973
Current liabilities					
Trade and other payables	14	21,710,568	2,437,727	21,061,316	2,031,952
Borrowings	13	10,127,569	-	10,000,000	-
Current tax liabilities	20(b)	569,579	351,068	-	-
Dividends payable	15	3,444,675	2,755,740	3,444,675	2,755,740
		35,852,391	5,544,535	34,505,991	4,787,692
Total liabilities		72,875,208	40,558,508	34,528,808	39,801,665
TOTAL EQUITY AND LIABILITIES	Rs.	208,995,367	173,122,817	156,766,175	164,731,084

These financial statements have been approved for issue by the Board of Directors on 28 SEP 2018

Anabhinavsingh Juddoo
Name of Director

Signature

Laurent Bourgault Du Coudray
Name of Director

Signature

The notes on pages 11 to 33 form an integral part of these financial statements.
Auditors' report on pages 5 and 5(c).

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2018

		THE GROUP		THE COMPANY	
	Notes	2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
REVENUE					
Rental income	2(q)	11,393,838	10,704,029	7,401,934	7,724,819
Investment and other income	16	1,653,144	84,914	1,747,871	204,914
		13,046,982	10,788,943	9,149,805	7,929,733
EXPENSES					
Direct operating expenses relating to investment properties		(683,120)	(506,445)	(613,281)	(451,641)
Administrative expenses		(1,884,846)	(1,338,906)	(1,114,049)	(745,834)
Finance costs	17	(1,742,811)	(2,637,274)	(1,361,164)	(2,637,274)
		(4,310,777)	(4,482,625)	(3,088,494)	(3,834,749)
Gain on fair value movements in financial at fair value through profit or loss	18	-	885,304	-	885,304
Subsidiary acquisition costs	22(a)	(1,496,558)	-	(1,461,558)	-
Gain on bargain purchase	22(a)	4,000,000	-	-	-
PROFIT BEFORE TAXATION	19	11,239,647	7,191,622	4,599,753	4,980,288
Income tax charge	20(a)	(794,447)	(569,200)	(402,455)	(218,132)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	Rs.	10,445,200	6,622,422	4,197,298	4,762,156
EARNINGS PER SHARE	21 Rs.	0.76	0.48		

The notes on pages 11 to 33 form an integral part of these financial statements.
Auditors' report on pages 5 and 5(c).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2018

	Note		Share capital	Retained earnings	Total
			Rs.	Rs.	Rs.
THE GROUP					
Balance at July 1, 2017			106,042,887	26,521,422	132,564,309
Profit for the year			-	10,445,200	10,445,200
Dividends - 2018	15		-	(6,889,350)	(6,889,350)
Balance at June 30, 2018		Rs.	**106,042,887**	**30,077,272**	**136,120,159**
Balance at July 1, 2016			106,042,887	25,134,906	131,177,793
Profit for the year			-	6,622,422	6,622,422
Dividends - 2017	15		-	(5,235,906)	(5,235,906)
Balance at June 30, 2017		Rs.	**106,042,887**	**26,521,422**	**132,564,309**

The notes on pages 11 to 33 form an integral part of these financial statements.
Auditors' report on pages 5 and 5(c).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2018

	Note		Share capital	Retained earnings	Total
			Rs.	Rs.	Rs.
THE COMPANY					
Balance at July 1, 2017			106,042,887	18,886,532	124,929,419
Profit for the year			-	4,197,298	4,197,298
Dividends - 2018	15		-	(6,889,350)	(6,889,350)
Balance at June 30, 2018		Rs.	**106,042,887**	**16,194,480**	**122,237,367**
Balance at July 1, 2016			106,042,887	19,360,282	125,403,169
Profit for the year			-	4,762,156	4,762,156
Dividends - 2017	15		-	(5,235,906)	(5,235,906)
Balance at June 30, 2017		Rs.	**106,042,887**	**18,886,532**	**124,929,419**

The notes on pages 11 to 33 form an integral part of these financial statements.

Auditors' report on pages 5 and 5(c).

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2018

	Note	THE GROUP		THE COMPANY	
		2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Profit before taxation		11,239,647	7,191,622	4,599,753	4,980,288
Adjustments for:					
Depreciation on property, plant and equipment		577,133	548,504	14,779	10,908
Interest expense		1,742,811	2,637,274	1,361,164	2,637,274
Dividend income		(1,252,382)	-	(1,252,382)	-
Interest income		(212,932)	(45,169)	(212,932)	(45,169)
Gain on fair value movements in financial at fair value through profit or loss		-	(885,304)	-	(885,304)
Gain on bargain purchase		(4,000,000)	-	-	
Changes in working capital:					
- trade and other payables		1,473,570	(390,827)	1,230,093	(375,395)
- trade and other receivables		(130,596)	(114,994)	2,965,002	4,405,496
Cash generated from operations		9,437,251	8,941,106	8,705,477	10,728,098
Tax paid		(705,780)	(295,994)	-	-
Interest paid		(1,742,811)	(2,637,274)	(1,361,164)	(2,637,274)
Interest received		212,932	45,169	212,932	45,169
Net cash generated from operating activities		7,201,592	6,053,007	7,557,245	8,135,993
Cash flows from investing activities					
Purchase of property, plant and equipment		(371,739)	(14,915)	(73,739)	(14,915)
Loans granted to related parties		(8,457,050)	(5,045,000)	(8,457,050)	(5,045,000)
Loans repayments received from related parties		8,457,050	5,045,000	8,457,050	5,045,000
Proceeds on sale of investments		32,540,350	-	32,540,350	-
Dividends received		1,252,382	1,252,382	1,252,382	1,252,382
Net cash from investing activities		33,420,993	1,237,467	33,718,993	1,237,467
Cash flows from financing activities					
Dividends paid to Company's shareholders		(6,200,415)	(6,200,415)	(6,200,415)	(6,200,415)
Payment of long-term borrowings		(25,000,000)	-	(25,000,000)	-
Net cash used in financing activities		(31,200,415)	(6,200,415)	(31,200,415)	(6,200,415)
Net increase in cash and cash equivalents	Rs.	9,422,170	1,090,059	10,075,823	3,173,045
Movement in cash and cash equivalents					
At July 1,		7,502,383	6,412,324	6,342,081	3,169,036
Acquired on business combination		82,380	-	-	-
Increase		9,422,170	1,090,059	10,075,823	3,173,045
At June 30,	22(c) Rs.	17,006,933	7,502,383	16,417,904	6,342,081

The notes on pages 11 to 33 form an integral part of these financial statements.

Auditors' report on pages 5 and 5(c).

1. GENERAL INFORMATION

Novus Properties Ltd (the "Company") is a limited liability company incorporated in Mauritius under the Companies Act 2001. The address of its registered office and principal place of business is at 6th/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307. The principal activity of the Company is property development for sale and/or rent. As from October 20, 2014, the Company is listed on the Development & Enterprise Market. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Novus Properties Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The "Group") and the separate financial statements of the parent company (The "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest unit, except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:
i) investment properties are stated at fair values; and
ii) relevant financial assets and financial liabilities are stated at their fair values.

Amendments to published Standards effective in the reporting period

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. A reconciliation of the opening and closing carrying amounts for each item for which cash flows have been or would be classified as financial activities is presented in note 22(d)).

Annual Improvements to IFRSs 2014-2016 Cycle

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Group's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2018 or later periods, but which the Group has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

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

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
Clarifications to IFRS 15 Revenue from Contracts with Customers
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
Annual Improvements to IFRSs 2014-2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives. The annual rates used are as follows:

	%
Office Equipment	10
Plant & Machinery	10 - 15
Furniture & Fittings	20

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (cont'd)

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

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

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

(c) Investment properties

Investment properties, held to earn rentals or capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined by external valuers.

Changes in the fair values are included in profit or loss and in the period in which they arise.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use. Changes in fair values are included in profit or loss as part of other income.

(d) Intangible assets

Goodwill
Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(e) Investment in subsidiaries

Separate financial statements of the investor
In the separate financial statements of the investor, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognise any impairment in the value of the individual investments.

Consolidated financial statements
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment in subsidiaries (cont'd)

Consolidated financial statements (cont'd)
Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) Financial assets

The Group classifies its financial assets in the following categories: loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Group's loans and receivables comprise cash and cash equivalents and trade and other receivables.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

Deferred tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodies in the investment property over time, rather than through sale.

(i) Trade receivables

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

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

(j) Cash and cash equivalents

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

(k) Share capital

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Borrowings

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

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

(m) Trade and other payables

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

(n) Provisions

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

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

(o) Foreign currencies

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

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Foreign currencies (cont'd)

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

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(p) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(q) Revenue recognition

Rental income from investment properties is recognised in the statement of profit or loss and other comprehensive income on an accrual basis in accordance with the substance of the relevant agreement. Revenue is stated net of value added tax and allowances.

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

Dividend income is accounted for when the shareholder's right to receive payment is established.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

(s) Non-Current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including liquidity risk, credit risk, cash flow and fair value interest rate risk and insurable risks.

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

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

(i) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

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

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

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
The Group						
At June 30, 2018						
Bank borrowings		**10,000,000**	**-**	**37,000,000**	**-**	**47,000,000**
Trade and other payables		**21,710,568**	**-**	**-**	**-**	**21,710,568**
	Rs.	**31,710,568**	**-**	**37,000,000**	**-**	**68,710,568**
At June 30, 2017						
Bank borrowings		-	35,000,000	-	-	35,000,000
Trade and other payables		2,437,727	-	-	-	2,437,727
	Rs.	2,437,727	35,000,000	-	-	37,437,727
The Company						
At June 30, 2018						
Bank borrowings		**10,000,000**	**-**	**-**	**-**	**10,000,000**
Trade and other payables		**21,061,316**	**-**	**-**	**-**	**21,061,316**
	Rs.	**31,061,316**	**-**	**-**	**-**	**31,061,316**
At June 30, 2017						
Bank borrowings		-	35,000,000	-	-	35,000,000
Trade and other payables		2,031,952	-	-	-	2,031,952
	Rs.	2,031,952	35,000,000	-	-	37,031,952

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(ii) ***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that property is rented or sold to customers with an appropriate credit history. Advance payments are requested where necessary until positive credit rating is established.

(iii) ***Cash flow and fair value interest rate risk***

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The following table demonstrates the sensitivity of the Company's profit before tax and equity to a reasonably possible change in the market interest rates.

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Increase in interest rates	0.10%	**(25,509)**	(35,155)	**(19,436)**	(35,155)
Decrease in interest rates	0.10%	**25,509**	35,155	**19,436**	35,155

(iv) **Insurable Risks**

The Group has adequate insurance cover for its properties and material contents, loss of profits and public liability. The sum insured for each insurance cover are reviewed annually in accordance with recommendations from professional advisers, where applicable.

3.2 Financial instruments by category

Financial assets

The carrying amounts of each of the categories of the financial instruments as at the date of the statement of financial position are as follows:-

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Cash and cash equivalents		**17,134,502**	7,502,383	**16,417,904**	6,342,081
Trade and other receivables		**1,538,476**	1,158,690	**22,748,395**	25,713,397
Non-current assets classified as held for sale		**-**	32,540,350	**-**	32,540,350
	Rs.	**18,672,978**	41,201,423	**39,166,299**	64,595,828

Financial liabilities

Trade and other payables		**21,710,568**	2,437,727	**21,061,316**	2,031,952
Borrowings		**47,127,569**	35,000,000	**10,000,000**	35,000,000
	Rs.	**68,838,137**	37,437,727	**31,061,316**	37,031,952

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation

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

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

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3.4 Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sells assets to reduce debt.

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by shareholders' fund. Net debt is calculated as total borrowings (including current and non current borrowings) less cash and cash equivalents. The shareholders' fund comprise of issued capital, reserves and shareholders funding.

The gearing ratio at June 30, 2018 and June 30, 2017 were as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.		0
Total debt (Note 13)		**47,127,569**	35,000,000	**10,000,000**	35,000,000
Less cash and cash equivalents		**(17,134,502)**	(7,502,383)	**(16,417,904)**	(6,342,081)
Net debt	Rs.	**29,993,067**	27,497,617	**(6,417,904)**	28,657,919
Total equity	Rs.	**136,120,159**	132,564,309	**122,237,367**	124,929,419
Net debt to equity ratio		**22%**	21%	**N/A**	23%

The increase in the debt-to-equity ratio for the group resulted primarily from an increase of debt acquired on business combination which was not sufficiently offset by the increase in total equity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) **Estimated impairment of goodwill**
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(d).

If the actual gross margin had been higher or the pre-tax discounted rate lower than management's estimates, the Group would not be able to reverse any prior impairment losses that had arisen on goodwill.

(b) **Revaluation of investment properties**
The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit and loss and other comprehensive income. The Group engaged independent valuation specialists (the 'Valuer') on a regular basis to determine fair value of its investment properties held for capital appreciation or rental. The Valuer has assessed the fair value on an open-market basis, valuation which is based on a number of assumptions using their best expertise as well as judgements. The estimated fair value could differ from actual market value.

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

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

(d) **Asset lives and residual values**
Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical accounting estimates and assumptions (cont'd)

(e) **Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of the assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) **Impairment of assets**

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(g) **Deferred tax on investment properties**

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's and the Company's investment property portfolio and concluded that none of the Group's and the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's and the Company's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group and the Company are not subject to any capital gain taxes on disposal of its investment properties.

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

		Office Equipment	Plant & Equipment	Furniture & Fittings	Total
		Rs.	Rs.	Rs.	Rs.
COST					
At July 1, 2017		357,233	3,344,987	101,457	3,803,677
Additions		-	371,739	-	371,739
At June 30, 2018		**357,233**	**3,716,726**	**101,457**	**4,175,416**
DEPRECIATION					
At July 1, 2017		158,570	1,187,766	66,689	1,413,025
Charge for the year		29,548	527,294	20,291	577,133
At June 30, 2018		**188,118**	**1,715,060**	**86,980**	**1,990,158**
NET BOOK VALUE					
At June 30, 2018	Rs.	**169,115**	**2,001,666**	**14,477**	**2,185,258**

(b) THE GROUP

		Office Equipment	Plant & Equipment	Furniture & Fittings	Total
		Rs.	Rs.	Rs.	Rs.
COST					
At July 1, 2016		357,233	3,330,072	101,457	3,788,762
Additions		-	14,915	-	14,915
At June 30, 2017		**357,233**	**3,344,987**	**101,457**	**3,803,677**
DEPRECIATION					
At July 1, 2016		126,092	692,031	46,398	864,521
Charge for the year		32,478	495,735	20,291	548,504
At June 30, 2017		**158,570**	**1,187,766**	**66,689**	**1,413,025**
NET BOOK VALUE					
At June 30, 2017	Rs.	**198,663**	**2,157,221**	**34,768**	**2,390,652**

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

(c) THE COMPANY

		Plant & Equipment	
		2018	2017
		Rs.	Rs.
Cost			
At July 1,		**112,808**	97,893
Additions		**73,739**	14,915
At June 30,		**186,547**	112,808
Depreciation			
At July 1,		**19,653**	8,745
Charge for the year		**14,779**	10,908
At June 30,		**34,432**	19,653
Net Book Value			
At June 30,	Rs.	**152,115**	93,155

(d) Depreciation charge of Rs.577,133 (2017: Rs.548,504) for the Group and Rs.14,779 (2017: Rs.10,908) for the Company has been included in administrative expenses.

6. INVESTMENT PROPERTIES

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
At July 1,		**126,300,000**	126,300,000	**94,500,000**	94,500,000
Acquisition through business combination (note 22(a))		**59,000,000**	-	-	-
At June 30,	Rs.	**185,300,000**	126,300,000	**94,500,000**	94,500,000

(a) The freehold land and building included in investment properties have been valued at June 30, 2016 on an open-market basis by Broll Indian Ocean Ltd, an independent professional qualified valuer. Investment properties are valued every three years by external valuers.

The directors consider the fair value to be not materially different from the valuation carried out in June 2016.

Details of the Group's and the Company's investment properties and information about the fair value hierarchy as at June 30, 2018 are as follows:

		THE GROUP		THE COMPANY	
		Level 2			
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Land		**61,907,171**	46,607,171	40,207,171	40,207,171
Buildings		**123,392,829**	79,692,829	54,292,829	54,292,829
Total	Rs.	**185,300,000**	126,300,000	**94,500,000**	94,500,000

There were no transfers between levels during the year.

(b) Details of rental income and the direct operating expenses relating to investment properties are shown on the statement of profit or loss and other comprehensive income.

(c) Bank borrowings are secured by floating charges on the assets of the Group including investment properties.

7. INTANGIBLE ASSETS

		2018 & 2017
		Rs.
THE GROUP		
At July 1, 2017 and June 30, 2018	Rs.	2,038,641

Intangible assets represent goodwill arising on acquisition of subsidiaries.

8. INVESTMENT IN SUBSIDIARIES

		THE COMPANY	
		2018	2017
		Rs.	Rs.
At July 1,		**4,350,000**	4,350,000
Additions		**17,799,271**	-
At June 30,	Rs.	**22,149,271**	4,350,000

The details of the Company's subsidiaries are as follows:

Name	Year end	Country of incorporation and operation	Class of shares held	Proportion of direct ownership interest	
				2018	2017
Novus Industrial Properties Ltd	June 30	Mauritius	Ordinary	**100%**	100%
Novus GRNW Properties Ltd (formerly known as Mechanization Investment Ltd)	June 30	Mauritius	Ordinary	**100%**	-

9. DEFERRED INCOME TAX

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2017: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relates to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position.

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Deferred tax assets		**798,490**	1,192,101	**798,490**	1,192,101
Deferred tax liabilities		**(22,817)**	(13,973)	**(22,817)**	(13,973)
	Rs.	**775,673**	1,178,128	**775,673**	1,178,128

At the end of the reporting period, the Company had unused tax losses of Rs. 5,323,267 (2017: Rs.7,947,344) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses. The tax losses is not subject to expiry since they comprise of tax losses on capital allowances.

(b) The movement in the deferred income tax account is as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
Net deferred tax assets		**Rs.**	Rs.	**Rs.**	Rs.
At July 1,		**1,178,128**	1,396,260	**1,178,128**	1,396,260
Profit or loss charge (note 20(a))		**(402,455)**	(218,132)	**(402,455)**	(218,132)
At June 30,	Rs.	**775,673**	1,178,128	**775,673**	1,178,128

9. DEFERRED INCOME TAX (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

Net deferred tax assets		Accelerated capital allowance	Tax losses	Total
THE GROUP		Rs.	Rs.	Rs.
At July 1, 2016		(13,372)	1,409,632	1,396,260
Charged to statement of profit or loss		(601)	(217,531)	(218,132)
At June 30, 2017		(13,973)	1,192,101	1,178,128
Charged to statement of profit or loss		(8,844)	(393,611)	(402,455)
At June 30, 2018	Rs.	**(22,817)**	**798,490**	**775,673**
THE COMPANY				
At July 1, 2016		(13,372)	1,409,632	1,396,260
Charged to statement of profit or loss		(601)	(217,531)	(218,132)
At June 30, 2017		(13,973)	1,192,101	1,178,128
Charged to statement of profit or loss		(8,844)	(393,611)	(402,455)
At June 30, 2018	Rs.	**(22,817)**	**798,490**	**775,673**

(d) Tax losses available for net off against future taxable profit of the Company are as follows:

		Rs.
Non-expiring tax losses on capital allowances (for the financial years from June 30, 2009 to June 30, 2017)		7,947,344
Tax losses utilised during the year		(2,624,077)
At June 30, 2018	Rs.	**5,323,267**

10. TRADE AND OTHER RECEIVABLES

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Trade receivables		**847,246**	643,970	**478,374**	469,572
Less provisions for impairment		**(642,962)**	(174,398)	**(468,564)**	-
Trade debtors - net		**204,284**	469,572	**9,810**	469,572
Receivable from subsidiary (Note 23)		**-**	-	**21,851,459**	24,713,459
Other receivables		**1,334,192**	689,118	**887,126**	530,366
	Rs.	**1,538,476**	1,158,690	**22,748,395**	25,713,397

(i) The carrying amount of trade and other receivable approximate their fair values.

As of June 30, 2018, trade receivables of Rs.642,962 (2017: Rs.174,398) were impaired for the Group and Rs.468,564 (2017: nil) for the Company. The individually impaired receivables relate to tenants, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Over 6 months	Rs.	**642,962**	174,398	**468,564**	-

10. TRADE AND OTHER RECEIVABLES (CONT'D)

As of June 30, 2018, trade receivables of Rs.106,250 (2017: Rs.469,572) for the Group and nil (2017: Rs. 469,572) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
3 - 6 months		**86,250**	469,572	-	469,572
Over 6 months		**20,000**	-	-	-
	Rs.	**106,250**	469,572	-	469,572

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Mauritian Rupees	Rs.	**1,538,476**	1,158,690	**22,748,395**	25,713,397

Movements in the provision for impairment of trade receivables are as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
At July 1,		**174,398**	174,398	-	-
Provision for receivable impairment		**468,564**	-	**468,564**	-
At June 30,	Rs.	**642,962**	174,398	**468,564**	-

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

11. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
At July 1,		**32,540,350**	32,540,350	**32,540,350**	32,540,350
Disposal		**(32,540,350)**	-	**(32,540,350)**	-
At June 30,	Rs.	-	32,540,350	-	32,540,350

12. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	Number of shares	Amount Rs.
At July 1, 2017 and June 30, 2018	13,778,700	106,042,887

- The shares are issued at no par value.
- All issued shares are fully paid
- Fully paid ordinary shares carry one vote per share and carry a right to dividends.

13. BORROWINGS

		THE GROUP		THE COMPANY	
		2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
Non-current					
Bank loans		**37,000,000**	35,000,000	-	35,000,000
Current					
Bank loans		**10,000,000**	-	**10,000,000**	-
Bank overdraft		**127,569**	-	-	-
		10,127,569	-	**10,000,000**	-
Total borrowings	Rs.	**47,127,569**	35,000,000	**10,000,000**	35,000,000

(a) **THE GROUP**

The Group's borrowings include secured liabilities amounting to Rs.47,127,569 (2017: Rs.35,000,000). The bank borrowings are secured by a floating charge and a fixed charge on the Group's assets comprising of its investment properties (Note 6). The rate of interest on those borrowings is ranged from 6.25% to 7% per annum (2017: 7.5%).

THE COMPANY

The Company's borrowings include secured liabilities amounting to Rs.10,000,000 (2017: Rs.35,000,000). The bank borrowings are secured by a floating charge and a fixed charge on the Company's assets comprising of its investment properties (Note 6). The rate of interest on those borrowings is 7% per annum (2017: 7.5%).

(b) The exposure of the Group's and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

		THE GROUP		THE COMPANY	
		2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
Borrowings (6 months or less)	Rs.	**47,127,569**	35,000,000	**10,000,000**	35,000,000

(c) The maturity of non-current borrowings is as follows:

		THE GROUP		THE COMPANY	
		2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
1 - 2 years		-	35,000,000	-	35,000,000
2 - 5 years		**37,000,000**	-	-	-
	Rs.	**37,000,000**	35,000,000	-	35,000,000

(d) The carrying amounts of the Group's and the Company's borrowings are denominated in Mauritian Rupees.

(e) The carrying amounts of borrowings are approximate to their fair values.

14. TRADE AND OTHER PAYABLES

		THE GROUP		THE COMPANY	
		2018	2017	2018	2017
		Rs.	Rs.	Rs.	Rs.
Deposits on rent		**1,320,794**	1,546,721	**1,111,232**	1,311,884
Other payables and accrued expenses		**20,389,774**	891,006	**19,950,084**	720,068
	Rs.	**21,710,568**	2,437,727	**21,061,316**	2,031,952

15. DIVIDENDS

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
Amounts recognised as distributions to equity holders during the year:		**Rs.**	Rs.	**Rs.**	Rs.
Paid and distributed during the year					
Interim dividend for the year ended June 30, 2018 of Re.0.25 per share (2017:Re.0.18 per share)		**3,444,675**	2,480,166	**3,444,675**	2,480,166
Unpaid as at June 30,					
Final dividend for the year ended June 30, 2018 of Re.0.25 per share (2017: Re.0.20 per share)		**3,444,675**	2,755,740	**3,444,675**	2,755,740
	Rs.	**6,889,350**	5,235,906	**6,889,350**	5,235,906

16. INVESTMENT AND OTHER INCOME

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Dividend income		**1,252,382**	-	**1,252,382**	-
Interest income		**212,932**	45,169	**212,932**	45,169
Other income		**187,830**	39,745	**282,557**	159,745
	Rs.	**1,653,144**	84,914	**1,747,871**	204,914

17. FINANCE COSTS

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Interest on bank loans	Rs.	**1,742,811**	2,637,274	**1,361,164**	2,637,274

18. GAIN ON FAIR VALUE MOVEMENTS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Gain on fair value movements in financial at fair value through profit or loss	Rs.	-	885,304	-	885,304

19. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
Profit before taxation is arrived at after:	**Rs.**	Rs.	**Rs.**	Rs.
Crediting:				
Gain on fair value movements in financial at fair value through profit or loss	-	885,304	-	885,304
Gain on bargain purchase	**4,000,000**	-	-	-
***and charging*:**				
Subsidiary acquisition costs	**1,496,558**	-	**1,461,558**	-
Depreciation on property, plant and equipment	**577,133**	548,504	**14,779**	10,908

(a) The Group and the Company do not have any employee.

20. TAXATION

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
(a) Statements of profit or loss and other comprehensive income					
Current tax on the adjusted profit for the year at 15% (2017: 15%)		**346,736**	309,766	-	-
CSR charge		**45,256**	41,302	-	-
Deferred tax charge (note 9(b))		**402,455**	218,132	**402,455**	218,132
Tax charge	Rs.	**794,447**	569,200	**402,455**	218,132
(b) Statements of financial position					
At July 1,		**351,068**	295,994	-	-
Balance acquired on business combination		**532,299**	-	-	-
Current tax on the adjusted profit for the year at 15% (2017: 15%)		**346,736**	309,766	-	-
CSR charge		**45,256**	41,302	-	-
Tax paid		**(705,780)**	(295,994)	-	-
At June 30,	Rs.	**569,579**	351,068	-	-

(c) Tax reconciliation

The tax on the Group's and the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Profit before taxation		**11,239,647**	7,191,622	**4,599,753**	4,980,288
Tax calculated at a rate of 15% (2017: 15%)		**1,685,947**	1,078,743	**689,963**	747,043
Income not subject to tax		**(650,814)**	(131,882)	**(187,857)**	(132,796)
Capital allowances		**(562,504)**	(508,004)	**(413,340)**	(404,516)
Expenses not deductible for tax purpose		**405,512**	88,439	**305,596**	7,799
Utilisation of previously unrecognised tax losses		**(531,405)**	(217,530)	**(394,362)**	(217,530)
CSR charge		**45,256**	41,302	-	-
Deferred tax movement		**402,455**	218,132	**402,455**	218,132
Tax charge	Rs.	**794,447**	569,200	**402,455**	218,132

21. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the following parameters:

		THE GROUP	
		2018	2017
		Rs.	Rs.
Profit attributable to the equity shareholders:	Rs.	**10,445,200**	6,622,422
Number of shares in issue		**13,778,700**	13,778,700
Earnings per share	Rs.	**0.76**	0.48

22. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Acquisition of subsidiary

On May 1, 2018, the Group acquired 100% of the share capital of Novus GRNW Properties Ltd (formerly known as Mechanization Investment Ltd) for Rs 17,799,271. The main activity of the newly acquired subsidiary is to rent its properties.

The following table summarises the consideration paid for Novus GRNW Properties Ltd and the amounts of the assets and liabilities assumed recognised at the acquisition date.

		Rs.
Consideration		
Cash	Rs.	**17,799,271**
Acquisition-related costs (included in statement of profit or loss and other comprehensive income)	Rs.	**1,496,558**
Recognised amounts of identifiable assets acquired and liabilities assumed		**Rs.**
Cash and cash equivalents		82,380
Investment properties		59,000,000
Trade and other receivables		249,190
Borrowings		(37,000,000)
Current tax liabilities		(532,299)
Total identifiable net assets	Rs.	21,799,271
Gain on bargain purchase		(4,000,000)
Consideration payable in cash	Rs.	17,799,271

Net cash outflow on acquisition of subsidiary		**2018**	2017
		Rs.	Rs.
Consideration payable in cash		**17,799,271**	-
Less: Cash and cash equivalent balances acquired		**(82,380)**	-
	Rs.	**17,716,891**	-

The acquisition of Novus GRNW Properties Ltd has resulted in a gain on bargain purchase of Rs.4 million as the fair value of the net assets acquired (Rs.21,799,272) exceeded the cash consideration.

The fair value of the trade and other receivables is Rs.249,190.

The revenue included in the consolidated financial statements since May 1, 2018 contributed by Novus GRNW Properties Ltd was Rs.937,000. Novus GRNW Properties Ltd also contributed profit of Rs.506,158 over the same period.

Has Novus GRNW Properties Ltd been consolidated from July 1, 2017 revenue would have been Rs. 5,510,960 and profit would have been Rs.2,589,584.

22. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at bank	Rs.	**17,134,502**	7,502,383	**16,417,904**	6,342,081

(c) Cash and cash equivalents and bank overdraft

Cash and cash equivalents and bank overdraft include the following for the purpose of statements of cash flows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Cash and cash equivalents		**17,134,502**	7,502,383	**16,417,904**	6,342,081
Bank overdraft		**(127,569)**	-	-	-
	Rs.	**17,006,933**	7,502,383	**16,417,904**	6,342,081

(d) Reconciliation of liabilities arising from financing activities

		THE GROUP			
				Non-cash changes	
		At July 1, 2017	Cash flows	Acquisitions	At June 30, 2018
		Rs.	Rs.	Rs.	Rs.
Long-term borrowings	Rs.	35,000,000	(25,000,000)	37,000,000	47,000,000

		THE COMPANY			
				Non-cash changes	
		At July 1, 2017	Cash flows	Acquisitions	At June 30, 2018
		Rs.	Rs.	Rs.	Rs.
Long-term borrowings	Rs.	35,000,000	(25,000,000)	-	10,000,000

23. RELATED PARTY TRANSACTIONS

		Subsidiary
		Rs.
THE COMPANY - 2018		
Amount owed by related party	Rs.	**21,851,459**
THE COMPANY - 2017		
Amount owed by related party	Rs.	24,713,459

- The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.
- The amount owed by the related party are unsecured, interest free and settlement occurs in cash.
- There has been no guarantees provided or received for any related party receivables.
- For the year ended June 30, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by the related party (2017: Nil). This assessment is undertaken each financial year through the examining the financial position of the related party and the market in which the related party operates.

24. NET ASSETS VALUE

The net assets value per share (NAV) as at the end of the reporting date is as follows:

		THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs.	Rs.	**Rs.**	Rs.
Net Assets Value	Rs.	**9.88**	9.62	**8.87**	9.07

25. SEGMENT INFORMATION

The main revenue derived by the Group is from rental of properties. The Board of Directors considers the business as a single reporting segment.

There were no changes in the reportable segment during the year.

26. EVENTS AFTER REPORTING DATE

Subsequent to reporting date, the Company has repaid its loan of Rs. 10,000,000 and contracted a new loan facility of Rs. 22,000,000 with a banking institution to finance the purchase consideration of NOVUS GRNW Properties Ltd.