

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Redemptions

(i) On 15 February 2022, C-Care (International) Ltd (previously known as CIEL Healthcare Ltd), reduced its stated capital by MUR 200M. CIEL Limited share was MUR 106M.

(ii) During the financial year, CIEL Finance Ltd redeemed MUR 31M of its redeemable shares. CIEL Limited's share was MUR 23M.

Specific valuation techniques used to value the Company's investments include:

Level 1 investments - Unadjusted quoted prices have been used to value these investments.

Level 2 investments - The quoted prices, adjusted by a 10% premium has been used to value investments. This is explained

by the fact that the Company holds a controlling stake in those subsidiaries and would expect to offer such a premium, should it wish to acquire more shares in these entities. This premium falls within the range of those offered on previous similar transactions.

Level 2 investments adjusted quoted price on DEM - Investment has been valued using the Volume Weighted Average Price ("VWAP") model as at 30 June 2022 as management considers it is a more appropriate valuation of the Company.

Where appropriate, the ratio of the cumulative share price to the cumulative volume traded over a given time period has been used to fair value the investment.

Valuation inputs and relationships to fair value

CIEL Finance Limited

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value MUR'000	Valuation technique	Unobservable inputs	Range of inputs
30-Jun-22				
CIEL Finance Limited	2,582,931	Price-earnings ratio	Price-earnings ratio	10 (i)
		Price to Book	Price to Book	1.8 X (ii)
30-Jun-21				
CIEL Finance Limited	2,623,716	Price-earnings ratio	Price-earnings ratio	10 (i)
		Dividend discount model	Weighted-average cost of capital	19.70% (iii)

Relationship of unobservable inputs to fair value

(i) Increase in PE ratio by **2.5 %** (2021 - 2.5%) would increase fair value by **MUR 104M** (2021 - MUR 111M).

(ii) Increase in Price to Book multiple by **2.5%** (2021 - Nil) would increase fair value by **MUR 19 M** (2021 - Nil)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Valuation inputs and relationships to fair value (Cont'd)

CIEL Textile Limited

Description	Fair value MUR '000	Valuation technique	Unobservable inputs	Range of inputs
30-Jun-22				
CIEL Textile Limited *	7,049,191	Discounted Cash Flow	Weighted-average cost of capital Terminal Growth Rate	10.40% - 11.20% 2% - 3.4% MUR '000
<i>Sensitivity to changes in assumptions</i>				
Terminal +0.5% point				555,000
Terminal -0.5% point				(555,000)
Weighted-average cost of capital +0.5% point				577,000
Weighted-average cost of capital -0.5% point				(577,000)

Description	Fair value MUR '000	Valuation technique	Unobservable inputs	Range of inputs
30-Jun-21				
CIEL Textile Limited	5,446,700	Discounted Cash Flow	Weighted-average cost of capital Terminal Growth Rate	10.6%-11.4% 2%-3.5% MUR '000
<i>Sensitivity to changes in assumptions</i>				
Terminal +0.5% point				75,000
Terminal -0.5% point				(71,000)
Weighted-average cost of capital +0.5% point				(567,000)
Weighted-average cost of capital -0.5% point				651,000

* CIEL Textile Limited value includes 75.94% of Evolis group. Evolis Group has been valued at its net asset value as it holds mainly investment properties. The properties have been fair valued at year end by CDDS using the Discounted Cash Flow model.

The net assets value of Evolis as at June 30, 2022 was MUR 1.2Bn. CTL's share represents MUR 940M.

CIEL Agro Limited, CIEL Properties Limited and CIEL Healthcare Limited have been valued at their net asset value as they hold mainly investments in two quoted entities, which have been valued using the prevailing quoted price and adjusted quoted price, where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Valuation inputs and relationships to fair value (Cont'd)

C-Care (Mauritius) Ltd

C-Care is listed on the Development Enterprise market (DEM) of the Stock Exchange of Mauritius. As at 30 June 2022, the investment in C-Care has been valued using the Volume Weighted Average Price ("VWAP") as management considers it is a more appropriate valuation of the company. Investment is reported as Level 2 investment in the fair value hierarchy. The share price as at 30 June 2022 was **MUR 17.20** (2021: MUR 19.70) and the VWAP used for valuing the investment was **MUR 18.82** (2021: MUR 10.35).

Valuation process

Management has a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values.

The team reports to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by VALUE IFRS Plc's internal credit risk management group.
- Earnings growth factors for unlisted equity securities are estimated based on market information for similar types of companies.
- Contingent consideration – expected cash inflows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated capital		Percentage holding		Proportion of ownership interests held by non-controlling interests		Country of Incorporation / Principle place of business	Main business		
				2022	2021	2022	2021	2022	2021				
				000's		000's		Direct	Direct			%	%
								%	%			%	%
CIEL Agro Limited (formerly known as CIEL Agro & Property Limited)**	Ordinary	30 June	MUR	1,413,865	1,413,865	100.00	100.00	-	-	Mauritius	Investment		
CIEL Properties Limited**	Ordinary	30 June	MUR	2,177,701	2,177,701	100.00	100.00	-	-	Mauritius	Investment		
CIEL Corporate Services Ltd	Ordinary	30 June	MUR	25	25	100.00	100.00	-	-	Mauritius	Management services		
CIEL Finance Limited	Ordinary	30 June	MUR	1,933,231	1,933,231	75.10	75.10	24.90	24.90	Mauritius	Investment		
C-Care (International) Ltd (formerly known as CIEL Healthcare Limited)	Ordinary	30 June	MUR	1,637,895	1,637,895	53.03	53.03	46.97	46.97	Mauritius	Investment		
CIEL Textile Limited	Ordinary	30 June	MUR	685,865	685,865	100.00	100.00	-	-	Mauritius	Investment		
Rockwood Textiles Ltd	Ordinary	30 June	MUR	1	1	100.00	100.00	-	-	Mauritius	Property		
Sun Limited	Ordinary	30 June	MUR	1,945,451	1,945,451	50.10	50.10	49.90	49.90	Mauritius	Investment		
C-Care (Mauritius) Ltd*	Ordinary	30 June	MUR	289,801	289,801	20.08	20.08	44.17	44.17	Mauritius	Healthcare Services		

* CIEL Limited indirectly holds 35.75% of C-Care (Mauritius) Ltd through CIEL Healthcare Limited and the effective shareholding is 55.83%.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests.

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year	Other Comprehensive income	Non-controlling interests
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2022								
CIEL Textile Limited – Group ¹	9,940,118	6,131,583	9,310,036	1,590,222	15,464,671	896,319	135,000	110,963
Sun Limited – Group	2,278,667	19,730,693	3,356,974	8,112,062	4,840,319	200,080	2,251,008	167,637
CIEL Finance Limited – Group	28,432,322	19,838,400	41,702,083	1,517,743	4,535,807	702,959	79,400	460,568
CIEL Healthcare Limited – Group ²	1,289,501	3,396,322	1,194,360	1,564,164	3,561,758	432,116	79,887	126,273

	Operating Activities	Investing Activities	Financing Activities	Net Increase in Cash and Cash Equivalents
	MUR '000	MUR '000	MUR '000	MUR '000
2022				
CIEL Textile Limited – Group	(382,517)	(341,462)	755,454	31,475
Sun Limited – Group	1,774,748	(253,928)	(1,395,043)	125,777
CIEL Finance Limited – Group	1,767,780	(28,034)	705,755	2,445,501
CIEL Healthcare Limited – Group	721,504	(303)	(323,732)	397,469

	Dividend paid to non-controlling interests	Total comprehensive income allocated to non-controlling interests during the year	Accumulated non-controlling interests
	MUR '000	MUR '000	MUR '000
2022			
CIEL Textile Limited – Group	-	110,963	285,070
Sun Limited – Group	-	167,637	844,748
CIEL Finance Limited – Group	(432,474)	460,468	1,905,547
CIEL Healthcare Limited – Group	(50,146)	126,273	369,123

¹ Non-controlling interests in CIEL Textile Limited includes 24.06% directly held by CIEL Properties Ltd

² Non-controlling interests in CIEL Healthcare Ltd includes 20.08% of C-Care (Mauritius) Ltd's share

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) for the year	Other Comprehensive income	Non-controlling interests
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2021								
CIEL Textile Limited – Group	6,633,085	4,295,882	6,740,482	1,037,016	10,444,465	626,559	167,428	(733)
Sun Limited – Group	2,088,235	17,920,117	3,440,385	9,648,928	527,901	(2,076,714)	638,596	(88,550)
CIEL Finance Limited – Group	25,569,766	14,748,078	34,534,354	832,945	3,782,304	608,273	776,267	537,890
CIEL Healthcare Limited – Group*	830,279	3,074,851	961,558	1,540,863	2,994,560	296,001	40,844	99,878

* Non-controlling interests in CIEL Healthcare Ltd includes of 20.08% of C-Care (Mauritius) Ltd's share.

	Operating Activities	Investing Activities	Financing Activities	Net Increase in Cash and Cash Equivalents
	MUR '000	MUR '000	MUR '000	MUR '000
2021				
CIEL Textile Limited – Group	988,904	(197,620)	(312,341)	478,943
Sun Limited – Group	(764,809)	1,380,177	305,487	920,855
CIEL Finance Limited – Group	752,974	(118,310)	(152,691)	481,973
CIEL Healthcare Limited – Group	520,072	(201,901)	(100,925)	217,246

	Dividend paid to non-controlling interests	Total comprehensive income allocated to non-controlling interests during the year	Accumulated non-controlling interests
	MUR '000	MUR '000	MUR '000
2021			
CIEL Textile Limited – Group	-	(733)	61,339
Sun Limited – Group	-	(88,550)	677,011
CIEL Finance Limited – Group	(413,377)	537,890	1,877,453
CIEL Healthcare Limited – Group	(33,511)	99,878	291,145

The summarised financial information above is the amount before intra-group eliminations.

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June.