

CIEL TEXTILE LIMITED AND ITS SUBSIDIARIES
CONDENSED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

CONDENSED INCOME STATEMENTS

	THE GROUP	
	Year ended 30 June 2017 AUDITED Rs '000	Year ended 30 June 2016 AUDITED Rs '000
Revenue	10,509,069	10,482,208
Earnings before interest, tax, depreciation and amortisation	997,002	1,127,862
Depreciation and amortisation	(250,218)	(215,728)
Earnings before interest and tax	746,784	912,134
Net finance costs	(82,120)	(50,556)
Profit before taxation	664,664	861,578
Income tax expense	(103,153)	(157,937)
Profit for the year	561,511	703,641
Attributable to:-		
Owners of the Company	458,645	626,050
Non-Controlling Interests	102,866	77,591
	561,511	703,641
Earnings per Share		
Earnings attributable to Owners of the Company (Rs '000)	458,645	626,050
Number of shares used in calculation ('000)	101,808	101,808
Earnings per Share (Rs/Cs)	4.51	6.15

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP	
	Year ended 30 June 2017 AUDITED Rs '000	Year ended 30 June 2016 AUDITED Rs '000
Profit for the year	561,511	703,641
Other comprehensive income:		
Revaluation surplus, net of deferred tax	16,979	-
Remeasurements of post retirement benefit obligations net of deferred tax	(27,818)	(979)
Amount recognised in cash flow hedge reserve net of deferred tax	(30,064)	7,849
Exchange differences on retranslation of foreign subsidiaries	(26,634)	1,361
Other comprehensive (loss)/income for the year	(67,537)	8,231
Total comprehensive income for the year	493,974	711,872
Total comprehensive income attributable to:		
Owners of the Company	378,494	643,153
Non Controlling Interests	115,479	68,719
	493,974	711,872

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at 30 June 2017 AUDITED Rs '000	As at 30 June 2016 AUDITED Rs '000
ASSETS EMPLOYED		
Non Current Assets		
Property, Plant and Equipment	4,079,349	3,608,366
Investments and Others	121,737	113,416
	4,201,086	3,721,782
Current Assets	6,148,404	6,054,750
TOTAL ASSETS	10,349,490	9,776,532
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	685,865	685,865
Revaluation and Other Reserves	705,034	785,185
Retained Earnings	3,050,177	2,922,721
Owners' Interests	4,441,076	4,393,771
Non Controlling Interests	292,053	329,916
Total Equity	4,733,129	4,723,687
Non Current Liabilities	629,558	597,449
Current Liabilities	4,986,803	4,455,396
TOTAL EQUITY AND LIABILITIES	10,349,490	9,776,532
Net Assets Value per Share (Rs.Cs)	43.62	43.16
Net Interest Bearing Debts	2,646,814	2,160,430

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	Year ended 30 June 2017 AUDITED Rs '000	Year ended 30 June 2016 AUDITED Rs '000
Net Cash generated from Operating Activities	674,018	773,085
Net Cash used in Investing Activities	(602,553)	(843,516)
Net Cash used in Financing Activities	(75,580)	(52,825)
Decrease in Cash and Cash Equivalents	(4,115)	(123,256)
Exchange differences	(399)	(25,945)
Opening Cash and Cash Equivalents	(368,849)	(219,648)
Closing Cash and Cash Equivalents	(373,363)	(368,849)

CONDENSED SEGMENTAL RESULTS - BY CLUSTER

THE GROUP	Year ended 30 June 2017			Year ended 30 June 2016		
	Woven AUDITED Rs '000	Knitwear, Knits and Retail AUDITED Rs '000	Total AUDITED Rs '000	Woven AUDITED Rs '000	Knitwear, Knits and Retail AUDITED Rs '000	Total AUDITED Rs '000
	Revenue	6,190,281	4,318,788	10,509,069	5,752,178	4,730,030
Earnings before interest and tax	702,722	44,062	746,784	603,642	308,492	912,134
Net finance costs	(28,090)	(54,030)	(82,120)	(11,497)	(39,059)	(50,556)
Profit/(Loss) before taxation	674,632	(9,968)	664,664	592,145	269,433	861,578
Income tax expense	(86,227)	(16,926)	(103,153)	(106,648)	(51,289)	(157,937)
Profit/(Loss) after taxation	588,405	(26,894)	561,511	485,497	218,144	703,641
Non-controlling interests	(102,866)	-	(102,866)	(77,591)	-	(77,591)
Profit/(Loss) attributable to Owners of the Company	485,539	(26,894)	458,645	407,906	218,144	626,050

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	THE GROUP					
	Share Capital Rs '000	Revaluation and Other Reserves Rs '000	Retained Earnings Rs '000	Sub Total Rs '000	Non Controlling Interests Rs '000	Total Rs '000
At 1 July 2016	685,865	785,185	2,922,721	4,393,771	329,916	4,723,687
Profit for the year	-	-	458,645	458,645	102,866	561,511
Other comprehensive (loss)/ income for the year	-	(80,151)	-	(80,151)	12,614	(67,537)
Ordinary Dividends paid by holding company	-	-	(305,423)	(305,423)	-	(305,423)
Dividends and tax paid by foreign subsidiary	-	-	(25,766)	(25,766)	(153,343)	(179,109)
At 30 June 2017	685,865	705,034	3,050,177	4,441,076	292,053	4,733,129
At 1 July 2015	685,865	768,082	2,627,546	4,081,493	261,197	4,342,690
Profit for the year	-	-	626,050	626,050	77,591	703,641
Other comprehensive income/ (loss) for the year	-	17,103	-	17,103	(8,872)	8,231
Ordinary Dividends	-	-	(330,875)	(330,875)	-	(330,875)
At 30 June 2016	685,865	785,185	2,922,721	4,393,771	329,916	4,723,687

Comments on the Condensed Audited Financial Statements for the year ended 30 June 2017

Results

CIEL Textile posted a profit after tax of Rs 561.5m for the financial year under review compared to Rs 703.6m for last year's corresponding financial year.

The Woven Cluster posted improved profitability both in the Region and in India through solid commercial performance and manufacturing excellence, thus leading to high customer satisfaction.

The Knits Cluster results were impacted by the financial losses of its operations in India, while the Knitwear Cluster experienced a difficult year on account of lower sales volumes and margins impacted by "Brexit". Restructuring and relocation costs have also negatively affected the Knitwear cluster's results.

Outlook

Retail market conditions remain very challenging with margins under pressure and high volatility on the foreign exchange front. Recent fiscal and monetary measures taken by the Government of Mauritius should help the textile industry mitigate the risk of foreign currency volatility and help improve competitiveness and modernisation.

On the operational side, our main challenges remain to turnaround the losses incurred in the Knitwear Cluster and the Knits Cluster operations in India, while boosting our marketing and front end activities throughout all our operations.

By order of the Board

CIEL Corporate Services Ltd
Secretaries

22 September 2017

The condensed financial statements of CIEL Textile Limited and all its subsidiaries are audited and have been prepared in accordance with International Financial Reporting Standards (IFRS).

Copies of the report are available free of charge at the registered office of the Company, 5th Floor, Ebene Skies, Rue de l'Institut, Ebene.

These audited condensed financial statements are issued pursuant to DEM Rule 18 and the Securities Act 2005.

The statement of direct and indirect interests of insiders pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge, at the registered office of the Company.

The Board of Directors of CIEL Textile Limited accepts full responsibility for the accuracy of the information contained in the report.

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