INTEGRATED REPORT **2022**

Enabling better tomorrows.

Rezidan, Moka Smart City's cultural and artistic project, was launched in April 2022 to restore public spaces while promoting local arts practice. Our cover showcases Emilien Jubeau's artistry on one of Moka's bus stops.

Dear Shareholder,

Your Board of Directors is pleased to present the Integrated Report of ENL Limited for the year ended **30 June 2022.**

This report was approved by the Board on **30 September 2022.**

Please join us at the Annual Meeting of the company,

on: **16 December 2022**

at: **9.00 a.m, The Pod, Vivéa Business Park, Moka**

Sincerely,

Jean Noël Humbert
Chairman

Hector Espitalier-Noël
CEO, ENL Group

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ABOUT THIS REPORT

Integrated Reporting

This report has been prepared in line with the principles set out by the International <IR> Framework established by the International Integrated Reporting Council (IIRC), now part of the IFRS Foundation. It aims to provide a comprehensive reporting on the achievements of our business objectives as set out in Cap 23, our strategic plan for the three years ending June 2023. It also reports on our business model, operating context, material risks, shareholders' and other stakeholders' interests, performance prospects and governance during the period under review. This report reflects our integrated approach to sustainable value creation.

Compliance reporting

This report complies with the following laws and regulations:

- Companies Act 2001
- Financial Reporting Act 2004
- International Financial Reporting Standards (IFRS)
- International <IR> Framework
- National Code of Corporate Governance (2016)

External audit and assurance

Independent audits of the group's and company's separate financial statements were performed by Ernst & Young. They also reported on the extent of compliance with the National Code of Corporate Governance (2016). The rest of this report is not subjected to independent audit or review and is derived from the group's internal sources or from information available in the public domain.

Board responsibility and approval statement

The Board is ultimately responsible for overseeing the integrity of this report. With the assistance of the Board committees, it has considered the preparation and presentation of the 2022 Integrated Report and annual financial statements. It is of the opinion that this report addresses all material matters, offers a balanced view of its strategy, and how it relates to the group's ability to create value, sustainably and is in accordance with the International <IR> Framework.

Forward-looking statement

The report contains forward-looking statements which, by their nature, involve risk and uncertainty as they relate to future events and circumstances that may be beyond our control. We thus, advise our readers to use caution in interpreting any forward-looking statements in this report.

Digital Engagement

For an online version of this report, please scan the QR Code or visit **integratedreport2022.enl.mu**

By choosing to receive a digital version of our annual report in the future, you are contributing to our sustainability journey by reducing our carbon footprint and efficiently managing our resources. To register, please complete the annexed shareholder consent form and send back to MCB Registry & Securities Ltd.

Icons used to navigate in this report

Content available online at www.enl.mu

Cross-referencing

Feedback

To enable us to go further along our continuous improvement journey, your feedback matters.
Write to us at **investors@enl.mu**

GROUP PROFILE

ENL Limited is the holding company of the ENL Group, a broad-based enterprise developing and managing more than 120 international and home-grown brands in sectors as diverse as agro-industry, real estate, commerce and industry, hospitality, logistics and fintech.

+200 years of track record

Has a large, strategically located 23,000-arpents land bank

Committed to driving impact in Mauritius

4,254 shareholders

+120 international and home-grown brands

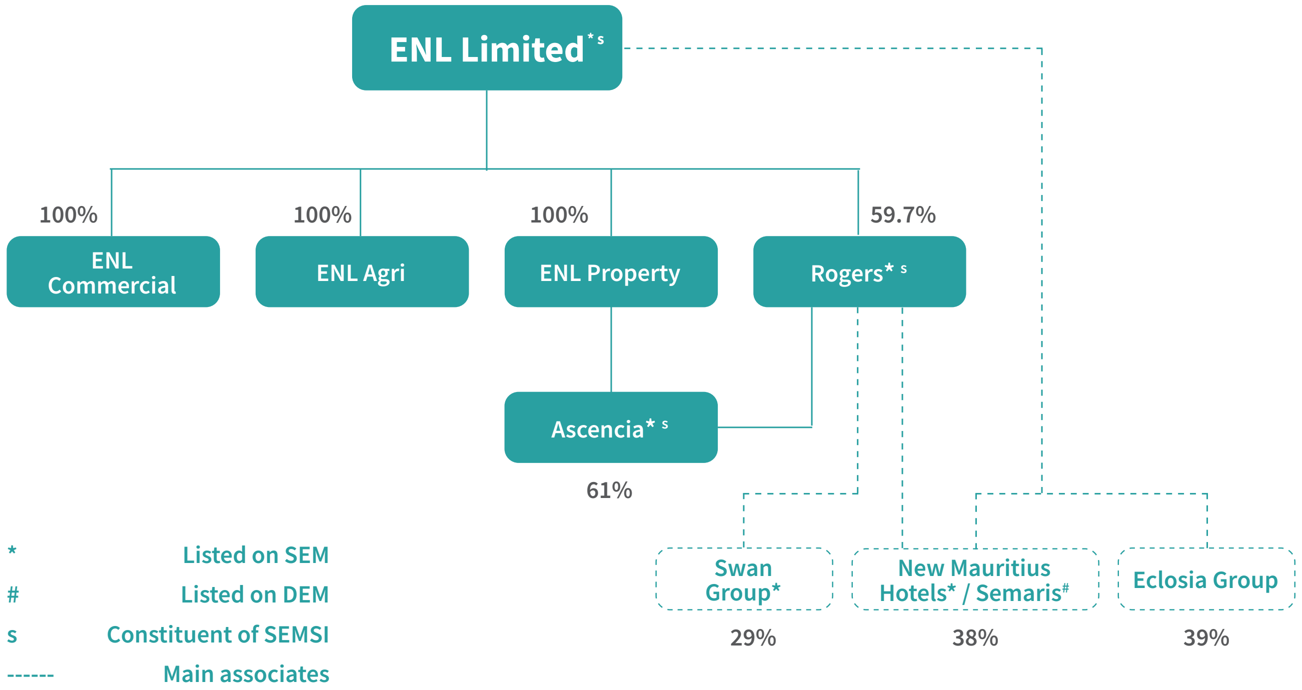
6,765 employees

7 segments

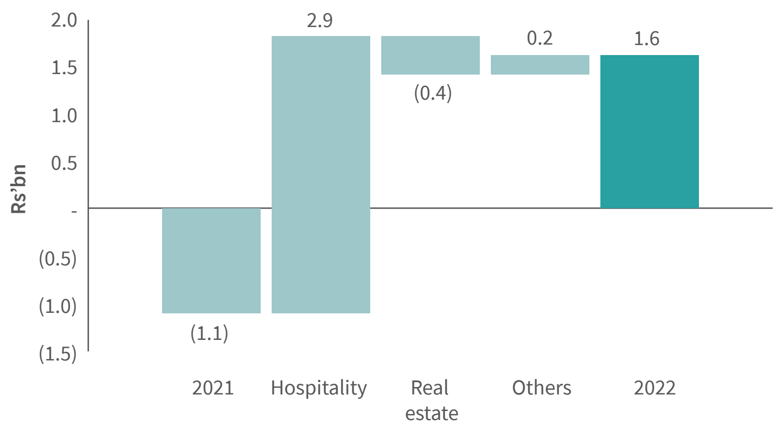
3 SEMSI-listed companies

GROUP PROFILE

Legal structure



Performance: From a loss of Rs 1.1 bn in FY21 to a profit of Rs 1.6 bn in FY22



Promise: Enabling POSSIBILITIES

More than a mere slogan, enabling possibilities embodies our brand promise in more ways than one. It reminds us that ENL is all about the potential and the opportunities that the future holds.

This sense of possibility is what drives us. It sustains our spirit of enterprise, fuels our appetite for innovation. It is what makes us stay agile and contemporary.

We see the products and services we bring to the market as conduits for possibilities to shape up. We believe that the ethics and commitment with which we engage in business are catalysts that make those possibilities happen.

Possibilities for customers to experience the lifestyle they aspire for; for talents to grow to their full potential.

Possibilities for our country to reach out to better tomorrows.

For the year ended:

72% TRUST INDEX SCORE

1.3% CONTRIBUTION TO NATIONAL EMPLOYMENT

Rs 300 m DIVIDEND TO SHAREHOLDERS

Rs 28 m INVESTMENT IN COMMUNITIES BY ENL FOUNDATION

22 START-UPS PRE-INCUBATED OUT OF WHICH 10 INCUBATED

Rs 1.7 bn INVESTMENT IN INFRASTRUCTURE AND SERVICES IN MOKA AND SAVANNAH

GROUP **STRUCTURE**

	Land & investment	Agro-industry	Real estate	Commerce & industry	Hospitality	Logistics	Fintech
SECTORS	Land owner Venture capital Business incubator Energy solutions	Sugar cane Farming Food crop Trade & services	Smart Cities Residential Business parks Malls Property funds Services	Automotive Manufacturing Trade & services	Hotels Travel Leisure	Logistics solutions	Corporate services Technology services Financial services
COMPANIES	ENL Limited Compass Turbine EnVolt Ecoasis	ENL Agri Agrex ESP Landscapers Agrïa* Sygeco Field Good	ENL Property Moka Savannah Les Villas de Bel Ombre* Ascencia* Enatt Oficea CIPF	Axess Grewals JMD Nabridas Plastinax Ensport Suntricity	Rogers Hospitality* Rogers Aviation*	Velogic* Rennel	Rogers Capital*
KEY INVESTMENTS	-	Eclosia	Semaris*	F.R.C.I Superdist	New Mauritius Hotels*	-	Swan*

* Also part of the Rogers group

View our detailed group structure on www.enl.mu

Value Creation

In December 2021, we strengthened our capacity in the renewable energy sector by acquiring a majority stake in Ecoasis, energy solutions provider.

"We are calling upon ENL's agility in these uncertain times to continue to adapt and pursue growth objectives."

Jean Noël Humbert
Chairman

CHAIRMAN'S **STATEMENT**

Dear Valued Shareholder,

The year under review has seen sanitary restrictions ease off. Trade returned to normal as borders reopened to visitors. These developments were beneficial to our operations, despite inflationary pressures and supply chain disturbances caused by the combination of the pandemic and the war in Ukraine.

Cap 23, our current three-year business plan, saw us restructure our way of doing business so that we are aligned with the Global Goals for sustainable development. We introduced the #myinPACT programme which engages us to take decisive actions on several fronts: reduction of waste generation, launch of a renewable energy business segment, reduction of our carbon footprint, community empowerment and protection of the lagoons to name but a few. We also see to it that our employees are performing in an engaging work environment conducive to performance and personal growth.

Performance

ENL posted profit after taxation of Rs 1.6 billion for the year. Since borders reopened in October 2021, we have recorded a steady stream of travellers, and our hospitality segment is now back on track contributing Rs 369 million to group profit. We maintained solid performances in real estate, commerce and industry, finance and technology, logistics as well as in agriculture. ENL's continuous enhancement of its productive capacity, added to the government's strategy to support the economy during the pandemic, helped us see the crisis through. We are calling upon ENL's agility in these uncertain times to continue to adapt and pursue growth objectives.

ENL is powered by a solid balance sheet, with total assets currently valued at Rs 82.8 billion and total equity amounting to Rs 43.6 billion. Our aim is to enable our individual businesses to continually invest in their growth, whilst paying shareholders reasonable dividends as well. For the year, some Rs 300 million were paid to shareholders by way of dividend. This represents Rs 0.80 per share and it is in fact 60% more than the year before.

Development

Cash flows generated from operations doubled from 2021 to reach Rs 3.6 billion. Part of this asset was used to invest in several key initiatives during the year. We grew our mall and office portfolio by improving existing assets and by bringing new offerings to the market. We continued to develop the regions in which we are engaged, namely Moka, Savannah and Bel Ombre. We increased our exposure to the logistics sector by purchasing additional stakes in Velogic and in its Kenyan business. We are ramping up our investment to improve our sugar cane production capacity, after years of necessary cost-containment, thanks to higher market prices and fairer remuneration for the bagasse. We also leverage our balance sheet to finance growth. Our debt level remained reasonable with a gearing ratio of 36.5% at 30 June 2022, close to last year.

Governance

ENL views governance and compliance as cornerstones of good business practices. We have held several Board and Committee meetings throughout the year to ensure that business is conducted in an appropriate manner. We have strengthened our governance structure with a full-time compliance team which ensures that our group is always up to the mark while retaining our agility.

Outlook

We are embarking on the final year of Cap 23. All business segments are expected to be operating at full potential despite the adversities. Over the coming year, we will be taking stock of our progress under Cap 23 and start our next business planning exercise towards 2026.

Acknowledgement

I would like to express my gratitude towards our stakeholders for their ongoing support and look forward to engaging with them more in the coming year. Thank you to my fellow Board members for their collaboration and to the Group CEO and the leadership team for their expert steering of operations. And last, but not least, on behalf of the ENL Board of Directors, I thank the ENL team for its commitment to high performance during the year.

"We are back on track and I am confident that the coming year will see ENL reach its highest level of performance yet, and so despite heightened inflation and disrupted supply chains."

Hector Espitalier-Noël
Group CEO

DISCUSSION WITH THE CEO

Group profit after tax is at pre-COVID-19 levels. How do you account for this rapid bounce-back considering that national borders reopened only nine months before the end of the year under review?

We are indeed back on track, with profit after taxation at Rs 1.6 billion. For the first time since the onset of the COVID-19 pandemic, performance was not weighed down by heavy losses in the hospitality segment of our businesses. Since the reopening of borders in October 2021, the destination has attracted a steady stream of travellers, and the hotel industry has been able to stop the financial haemorrhaging caused by two years of lockdown. The sector is now back to profitability and has contributed Rs 369 million to group PAT.

On the other hand, we have maintained solid performances in real estate, commerce and industry, finance and technology, logistics as well as in agriculture. These segments have stayed the course thanks to their inherent resilience and due to the Government's strategy to see the national economy through the pandemic. Government's agenda to help businesses protect jobs, as well as its support to consumer spending turned out to be well inspired.

Much is being said about how the hospitality industry needs to rethink itself. What does the COVID-19 pandemic tell us about the general health of the sector?

The pandemic has raised people's awareness about the quality of interactions they want to have with the world around them. Today's traveller seeks to connect with the territory and its culture in meaningful ways. Our group has stayed attuned to this evolution, and Rogers Hospitality is successfully using authenticity and sustainability as major product differentiators.

The hotel industry's rapid bounce-back following the reopening of borders also tells us that Mauritius remains a preferred destination in its target markets. The performance of our own hospitality segment points to that: we have swerved from a Rs 2.5 billion loss last year to a profit of Rs 369 million in 2022 despite a brief resurgence of the pandemic that impacted the December peak season.

National earnings from tourism between January and June 2022 reached 80% of pre-COVID-19 levels. Occupancy rates hit a record high for the off-peak season, and forward bookings are promising a very good peak season in late 2022. As airline connectivity improves, the industry should continue to grow robustly during the next financial year.

What are the challenges that could potentially slow down the hospitality industry along the path of recovery and sustainability?

The industry must adapt to the changing needs and aspirations of travellers as expressed by last-minute bookings, longer stays and growing expectations with regard to sustainability commitments. In addition to these substantive shifts, disruptions in supply chains, inflation and the war in Ukraine will likely further impact customer behaviour and challenge the industry. The context calls for a close partnership between the Government and industry to preserve the destination's market share.

Shortage of manpower has been another constant challenge since border reopening. Post-pandemic shifts in workforce behaviour seem to challenge businesses the world over. In Mauritius, the hospitality industry is particularly hit, most probably because it was out of business for the longest period. Immediate solutions to the situation could include increasing the proportion of international talent in our employment mix.

And while we address these real challenges of our times to keep the hospitality industry afloat, coastal erosion is threatening to compromise its very sustainability. It is relentlessly gnawing at the destination's most precious asset, its beaches. The situation urgently requires joint public-private initiatives to restore and prevent further damage to what remains the main allure of the Mauritian destination.

Sugar cane is once again king in agro-industry. How is ENL using the favourable context to improve the sustainability of its sugar cane operations?

With sugar prices on the rise and fairer remuneration for bagasse, the sugar cane industry is experiencing positive and growth-enabling conditions after a very long time. And despite the increasing costs of farm inputs like labour, fuel and fertilisers which put our margins under pressure, we are optimistic about the industry's future.

After years of prioritising cost containment, we are once again investing to improve our productive capacity. More specifically, we are accelerating our field replantation programme in a bid to improve crop productivity: 280 hectares have been replanted during FY22 and an additional 400 hectares should be renewed in FY23.

To date, sugar cane remains the most commercially viable crop that we can grow on the island. However, it is subjected to the vagaries of the commodity market which is cyclical in nature. We have diversified our production mix over the decades in a bid to mitigate the inherent risks of a monocrop business model. We farm chicken and grow vegetables, thus contributing to feed the nation with locally grown fresh produce. Today, up to 40% of revenue in our agro-industry segment comes from non-sugar activities.

Mauritius, like the rest of the world, is experiencing inflationary pressures. How will this affect ENL?

Mauritius is in the grips of imported inflation brought about by the depreciation of the rupee coupled with inflationary pressures experienced by our main trading partners. However, consumption has shown remarkable resilience and ENL is faring rather well. It must be said that our diversified business model provides hedging to our group, and our strong land assets remain a solid safety net against inflation. Our businesses are nonetheless taking cost-cutting measures to remain competitive and we continue to invest to further strengthen our productive capacity. Central banks worldwide are increasing interest rates, and hopefully, they will soon succeed in taming inflation.

> ***"The real estate segment of our businesses enables our group to have a direct and lasting positive impact on our natural, social and economic stakeholders."***

Acquiring the integrated energy solutions provider, Ecoasis this year was a strategic move. What are ENL's ambitions for electricity production?

Mauritius has stated its objective to produce at least 60% of its electricity requirements from local, renewable sources, mainly biomass and solar, by 2030. This presents business opportunities which ENL is determined to embrace.

Our group is well positioned to develop renewable energy production into a strong business pillar: we are already an important supplier of biomass to independent power producers and we produce electricity through rooftop photovoltaic farms. We now aim to further develop our potential as a solar power producer on selected parts of our land. We are building capacity accordingly: we acquired a majority stake in Ecoasis during the year and sealed a strategic partnership with a large, international energy producer.

As a party to the Paris Agreement on climate change, Mauritius has committed to lower its carbon footprint within a given time frame, and ENL is determined to contribute towards this sustainable development goal. We believe that in so doing, a lot of value can be generated locally and substantial savings can be realised on our import bill for fossil fuels.

ENL is now 15 years into the urbanisation of Moka, and it is investing the know-how and experience cumulated over time into the development of Savannah Connected Countryside. What does success look like?

Real estate development, management and operation have grown into an important driver of growth for our group. The segment contributed a healthy Rs 896 million to PAT this year. More than a mere revenue centre, the real estate segment of our businesses enables our group to have a direct and lasting positive impact on our natural, social and economic stakeholders. We are fully aware of the privilege, and of the responsibilities that come with it, as we go about creating integrated places to live, work and play.

- The development of Moka has gathered momentum; one can now get a better idea of what the smart city is going to look like in another ten years' time. Current and upcoming road infrastructure development, as well as the prospect of being connected by the metro network, promises to further accelerate growth by making the smart city significantly more accessible.
  - We are currently opening a boulevard that will link the heart of Moka to its iconic mountains. We are inviting nature into town. And all the while, we are growing the smart city outwards, away from Helvétia, its core, towards Telfair in the south and L'Avenir in the north. We are also strengthening Moka's offering as a business centre: Les Fascines just expanded our office portfolio by 9,000m² and Telfair will boast new 20,400m² LEED-certified mixed-use buildings by December 2023.
- Savannah Connected Countryside, on the other hand, is positioned as a connected village. It will offer residents the possibility to adopt a more laid-back lifestyle, reminiscent of yesteryear while very much anchored in the modernity of today. The smart village is master planned over 365 arpents to be developed over the next ten years. We have already started giving shape to its very first district, Gros Bois, which now houses more than a hundred residences, an international school and communal facilities. The initial response of the market to Savannah has been very encouraging.
- Bel Ombre is also getting our focused attention. We have grown the region into a serene and chic destination, with several premium beach resorts and an acclaimed golf course set against a unique backdrop of hilly landscapes rich in endemic biodiversity. The ambition, here, is to build on the unique natural assets of the area to develop Bel Ombre into a reference for sustainable and tropical art de vivre.

Shopping malls are the biggest net contributor to the profitability of ENL's real estate segment. How is the retail property cluster strengthening its leadership in the face of increasing competition, inflation and disrupted supply chains?

Our retail properties continue to be a very good source of income for our group. Far from sleeping on our laurels, however, we are upholding our investment programme aimed at enhancing customer experience in all our facilities. During the year, we added a whole new wing to Bagatelle Mall and welcomed 42 Market Street in the precinct, thus opening the mall to small- and medium-sized local tradesmen/women. This extension also provides a new entrance to the mall, which gives added visibility to tenants with an upmarket product offering. New extension works planned at the south end of the mall will further enrich shopper experience. Phoenix Mall, on the other hand, is promised to a significant increase in footfall as it joins the metro network in early October 2022.

Compliance regulations governing business are being strengthened, both globally and in Mauritius. How is ENL keeping up?

Mauritius has upgraded its AML-CFT framework such that the country is now recognised as a credible and compliant jurisdiction by international standards. This brings in its stride several adjustments for business operators who now must carry out a vast array of checks and controls related to global KYC standards. These business practices inevitably result in slower and more arduous processes. ENL views governance and compliance as cornerstones of good business practices. We have strengthened our governance structure with a full-time compliance team which sees to it that our group is up to the mark while preserving operational efficiency and agility for optimal customer experience.

Would you say that ENL's financing structure is adequate to fund its growth?

ENL is powered by a solid balance sheet, with total assets currently valued at Rs 82.8 billion and total equity amounting to Rs 43.6 billion. During the year, we successfully raised a Rs 1.4 billion bond, to which CARE Mauritius gave an A-stable rating. The funds are being used to partly refinance existing debts and to fund development.

Our business activities and developments are funded by a mix of equity and debt. We enable our individual businesses to continually invest in their growth while paying shareholders reasonable dividends. To that end, we ensure that each business is autonomously financed, and risks are adequately ring-fenced.

How do you assess ENL's progress on the sustainability agenda so far?

Our group fully subscribes to the Global Goals and we are committed to promoting growth that is inclusive and respectful of the natural environment. Cap 23, our current business plan, has seen us structure our approach to sustainable development and to track progress with a view to be fully aligned with the national and international agenda.

For the sake of efficiency and optimal impact, we have chosen to focus our interventions on the following four areas: circular economy, local anchoring, skills and employability and innovation. Among the many initiatives started in this context, we have introduced a waste management framework, aimed at significantly reducing the volume of waste we send to the landfill. We are also initiating measures to further reduce our carbon footprint.

Rogers Foundation is invested into the rehabilitation of the Jacotet riverbanks in Bel Ombre. Our offices, malls and hotels are producing part of their electricity needs in solar farms installed on their rooftops and we are gearing up to produce electricity from renewable sources for the national grid. ENL Foundation is working alongside international funders to promote employability and micro-entrepreneurship in more vulnerable communities. The smart city of Moka is being developed on the principles of sustainable urban development and Ascencia is looking into the transformation of wet waste into biogas, a clean source of energy.

> ***"I cannot but be energised and encouraged by the conviction and dynamism with which the ENL community is engaging with sustainable development."***

When I look around at what's happening within our companies, I cannot but be energised and encouraged by the conviction and dynamism with which the ENL community is engaging with sustainable development.

Cap 23 is entering its final year of implementation. What is the outlook?

We are on track to achieve our growth targets and I am confident that FY23 will see ENL reaching its highest levels of performance, notwithstanding the heightened inflation and disruptions in supply chains. I would like to place on record my appreciation for the discipline, focus and agility with which our teams continue to manoeuvre through these unprecedented times. I would also like to thank the ENL Board of Directors for its trust, support and insightful supervision. Over the next few months, we will be conducting our mid-term assessment of Cap 23 prior to starting our next business planning exercise. We will, as usual, keep our shareholders updated on our progress as we go along.

VALUE CREATION **MODEL**

CAPITALS

Financial
- Debt
- Equity
- Reinvestment

Manufactured
- Buildings
- Machinery and equipment

Human
- Leadership
- Employees

Social & relationship
- Business partners
- Customer relationship

Intellectual
- Licences
- Know-how
- Systems

Natural
- Land
- Energy

HOW WE CREATE VALUE

Guiding principles

- **Our brand purpose:** The relentless pursuit of value creation, sustainably
- **Our values:** ENL's culture is underpinned by its strong values that require each team member to ***Commit, Connect*** and ***Innovate***

Cap 23

- Under Cap 23, our strategic objective is to grow ENL through **purpose-driven** teams, investments and operations that use the group's asset base to **positively impact** its financial performance and society, **sustainably**

ENL focuses on four areas of intervention for Sustainability:
- Circular economy
- Innovative capacity and adaptability of business models
- Local anchoring and socioeconomic development of territories
- Skills and employability

Engagement with our stakeholders

- We create sustainable value by making every effort to engage with our stakeholders and to serve their needs and aspirations with commitment and innovation

Driving impact - Human (pages 24 to 33)

Governance

- Unitary Board of Directors and specialised committees providing effective oversight of financial, operational, reputational, and ethical matters

Governance (pages 76 to 117)

Risk management

- An established risk management framework and an improving risk maturity within the group are key enablers to ensure better oversight of existing and emergent risks by the ARMC and ultimately the Board

Risk management (pages 62 to 73)

VALUE WE CREATE

Financial

Group profile (pages 5 to 7)
Group review (pages 44 to 45)

Manufactured

Segment review (pages 46 to 61)

Human

Driving impact - Human (pages 24 to 33)

Social & relationship

Discussion with the CEO (pages 14 to 17)
Segment review (pages 46 to 61)
Driving impact (pages 20 to 41)

Intellectual

Driving impact (pages 20 to 41)

Natural

Driving impact – Ecological (pages 34 to 35)

Active in 7 business segments

- Land & investment
- Agro-industry
- Real estate
- Commerce & industry
- Hospitality
- Logistics
- Fintech

Segment review (pages 46 to 61)

DRIVING IMPACT

For over two centuries, ENL has been sustainably creating value for all its stakeholders. Considering the challenges of the present times, we have adopted a more structured and systematic approach to sustainable growth. Cap 23, our current three-year business plan, commits us to conduct business in such a way as to have a positive impact on our social, natural and economic environment.

Over a hundred employees participated to La Fresque du Climat, awareness workshops on challenges related to climate change.

In May 2022, Decathlon partnered with the Mauritius Sports Council for the "Decathlon Lor Baz" event. The objective: to travel the four corners of the island to meet young people and introduce them to different types of sports.

UN Sustainable Development Goals

UN Sustainable Development Goals	Areas of Impact		
	Human	Ecological	Economic
1 No Poverty	✓		✓
2 Zero Hunger	✓	✓	✓
3 Good Health and Well-Being	✓	✓	✓
4 Quality Education	✓	✓	✓
5 Gender Equality	✓		✓
6 Clean Water and Sanitation	✓		✓
7 Affordable and Clean Energy		✓	✓
8 Decent Work and Economic Growth	✓	✓	✓
9 Industry, Innovation and Infrastructure	✓	✓	✓
10 Reduced Inequality	✓		✓
11 Sustainable Cities and Communities	✓	✓	✓
12 Responsible Consumption and Production	✓	✓	✓
13 Climate Action		✓	
14 Life Below Water		✓	
15 Life On Land		✓	
16 Peace, Justice, and Strong Institutions	✓		✓
17 Partnerships for the Goals	✓	✓	✓

Navigation keys

#myInPACT's areas of impact

Human

Ecological

Economic

Cap 23 sustainability agenda

Circular economy

Innovative capacity and adaptability of business models

Skills and employability

Local anchoring and socio-economic development of territories

HUMAN **IMPACT**

The impact ENL has on its most important stakeholders: employees, customers, shareholders, suppliers, communities, and on any other person influencing or being affected by the organisation.

Shareholders & providers of capital

Their expectations

- Sustainable return on investment
- Good governance
- Open, transparent, accurate and timely information

Our response

- Providing sustainable return on investment
- Maintaining relationships with shareholders through regular communication about the group's performance

Group review (page 44 to 45)

Corporate governance report (page 82 to 96)

Outcomes and highlights during the year

- Constituent of the Stock Exchange of Mauritius' Sustainability Index (SEMSI) since February 2022
- Better involved shareholders and providers of capital and reinforced synergies in our relationships
  - Engaged and dialogue-driven via our Annual General Meeting and Investor Relations Meetings
- Remuneration of shareholders through dividend to attest to the group's ability to bounce back post-pandemic

Share price at year end:
Rs 27 (2021: Rs 20.75)

Market capitalisation at year end:
Rs 10.1 bn (2021: Rs 7.8 bn)

No. of shareholders:
4,254 (2021: 4,086)

Dividend yield:
2.96% (2021: 2.41%)

Employees

Their expectations

- Feel empowered, valued and respected
- Personal and professional growth
- Access to learning and development opportunities
- Safe and healthy working environment
- Sense of pride of working at ENL
- Regular discussions on own performance
- Market-aligned employment conditions
- Understanding of employment advantages and benefits

No. of employees:
6,765 (2021: 6,760)

Our response

- ENL's mission, values and strategic objectives as well as employee engagement promoted through #myinPACT Programme
- Employee engagement monitored every year
- International benchmarking for the quality of work environment we provide: 15 subsidiaries obtained the Great Place to Work certification in December 2021
- National benchmarking of remuneration policy and practice
- Commitment to providing opportunities for personal and career-related development through training
- Strategic human resource management at group level laying emphasis on talent management, performance management and employee engagement
- Occupational Safety and Health Management to accompany and support ENL and its subsidiaries in providing a safe and secure work environment as required by law

ENL launched REAL, a training program for team leaders in the group.

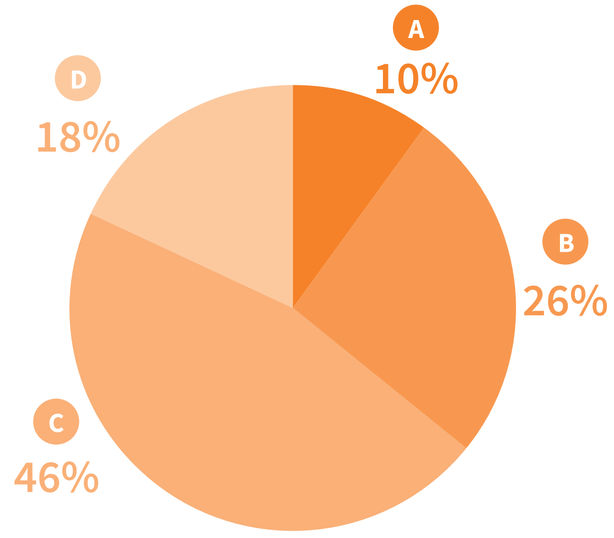
Outcomes and highlights during the year

Workforce at a glance

Gender

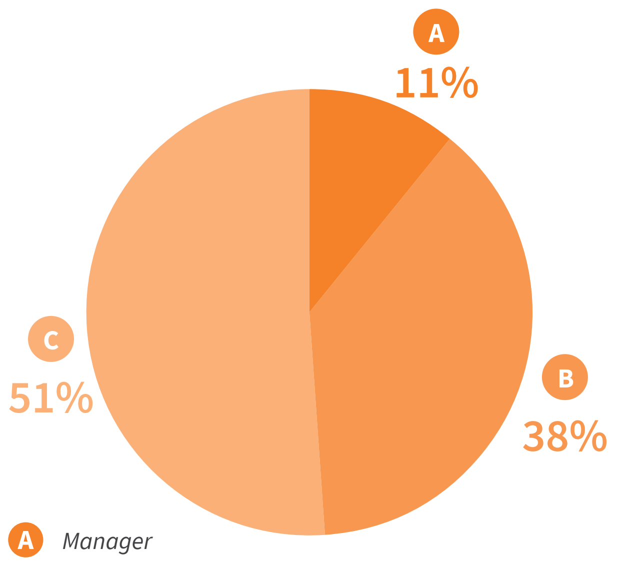
- A *Female*
- B *Male*

Generation



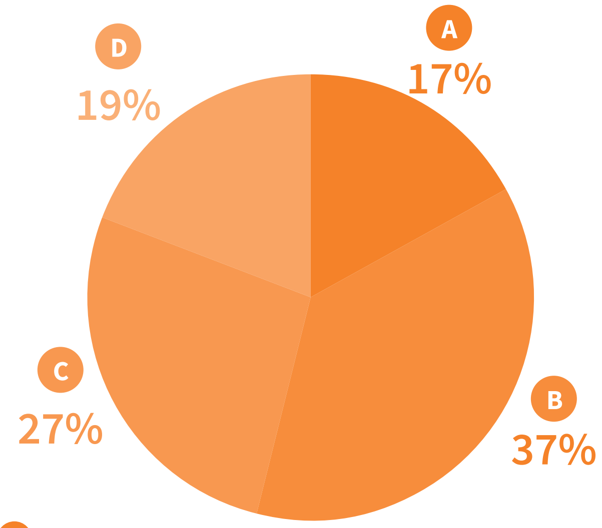
- A *Baby boomers (1946 to 1964)*
- B *Gen X (1965 to 1979)*
- C *Gen Y (1980 to 1994)*
- D *Gen Z (1995 onwards)*

Category



- A *Manager*
- B *Staff*
- C *Operatives*

Years of service



- A *< 1*
- B *1 - 5*
- C *6 - 15*
- D *> 16*

Talent attraction and retention

To remain as an employer of choice, the team geared itself to refining its Talent Management action plan. During the year, an additional 147 employees (with a total of 347 to date) benefited from the psychometric testing and profiling assessments, feedback sessions and personalised development plans.

Over a hundred trainees were welcomed in the group, adding dimension and dynamism to our work culture by offering fresh perspectives while being exposed to the operations of the businesses and having the opportunity to secure future employment.

Throughout the year, we also continued to develop our leadership framework and established successful foundations with clear methodologies and best practices for the implementation of succession plans across the group.

Retention rate:
92% (2021: 88%)

Stability Index:
82% (2021: 89%)

+280
employees promoted

Visits on ENL Talent page:
68,100

Candidates' profiles on ENL Talent page:
31,500 (+7%)

Employee experience and engagement

We believe possibilities are endless if the right mindset is cultivated. Our organisational values require each ENL team member to **commit** to high standards of performance, to **connect** with stakeholders through active listening and to **innovate** by embracing change and continuous improvement.

We obtained the Great Place to Work certification in December 2021 with a score of 72%, surpassing our Cap 23 target of 70% and attesting to our efforts to engage with our employees. Some initiatives during the year included:

- **Surveys and culture audits.** 15 companies were certified Great Place to Work, out of which 8 companies were nominated as Best Workplaces. Rogers carried out the same exercise with Willis Towers Watson and obtained 82%.
- **#myInPACT.** This culture alignment programme was introduced in the previous year to foster employee participation and commitment to three areas of impact, namely human, ecological and economic. The focus of initiatives under this programme is centred around the ecological aspect of sustainability: beach clean-ups, tree planting exercises, recycling challenges, etc.
- **#myENL Buddy programme.** In the last year, the buddy programme was revamped to be more dynamic and productive through online training for buddies, regular formal and informal communications, and regular meetings.
- **Awareness talks and activities for internationally celebrated themes.** In continuance with previous years, we celebrated numerous international days including International Women's Day under the theme #breakthebias.

During the year, Rogers renamed their Human Resources Department to People Department and chose three areas of focus.

- **Build capability.** Appropriate upskilling of existing and new employees by providing the right tools, skills and core competencies to ensure that employees reach their full potential.
- **Drive engagement.** Feedback received was used to develop an action plan to strengthen employee engagement.
- **Enhance productivity.** Focusing on new approaches to well-being and employee support.

Trust Index Score:
72%

#myInPACT
107 Quick wins

47 partners on myENL card

Learning and development

The main challenge for the year remained the sanitary restrictions which imposed training institutions to limit face-to-face interaction, resulting in a lower-than-expected number of training sessions. Despite this, we were able to launch REAL, ENL's leadership development programme with the first cohort of 20 leaders across the group. The programme was designed with the aim to encourage ENL leaders to be resilient while demonstrating their commitment to the values and culture of the group in their way of acting and decision-making.

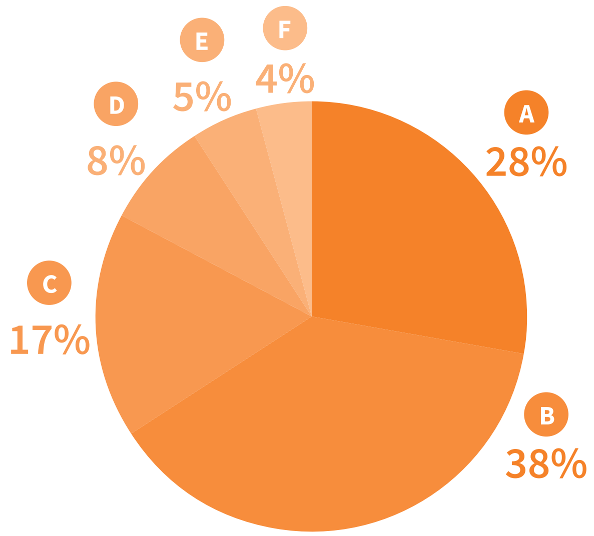
Rogers maintained its focus on cross-sectoral development programmes, including:

- ACE Managers Development Programme with 147 participants to continuously develop the required skills and competencies to manage teams and operations effectively;
- RISE Sales Programme designed for sales professionals who wish to better gear themselves for negotiations and influencing prospective clients;
- "Read to Lead", a compelling list of must-read business books; and
- Rogers Talks with this year's themes including mental and psychological health, storytelling and leading a performance culture.

Hours invested in training:
89,400 (2021: 24,402)

Investment in training:
Rs 37m (2021: Rs 22m)

Training expense per area of focus



- A *Leadership and talent development*
- B *Technical competencies*
- C *People Focus*
- D *ICT and equipment*
- E *Governance and compliance*
- F *Health, Safety & Welfare*

Well-being, safety and health

ENL is committed to acting as a responsible employer by providing the highest standards of safety and health for its employees, contractors, and visitors. The group complies with the provisions of the Occupational Safety and Health Act 2005 and its associated regulations. Initiatives taken this year included:

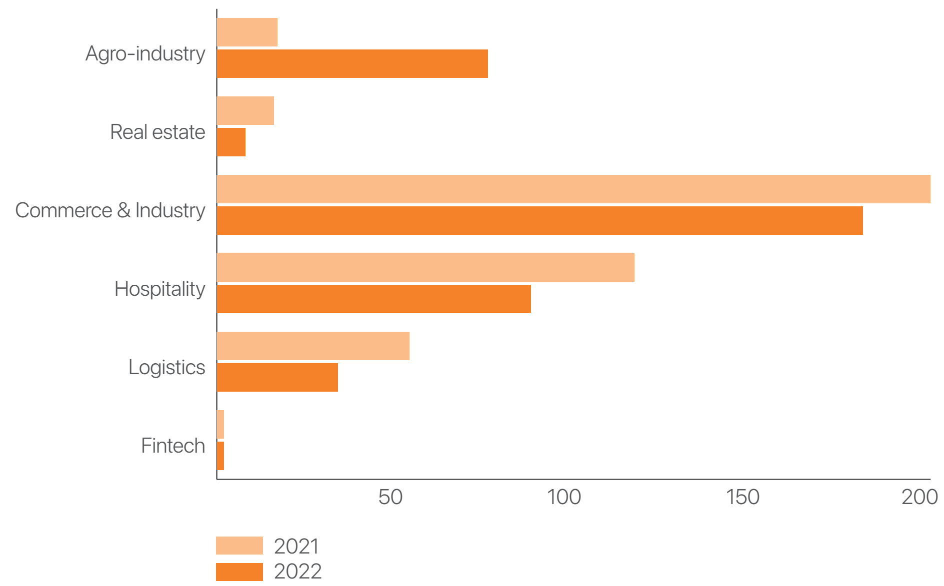
- reviews and updates of the ENL Safety and Health Policy in regard to the changing environment;
- exposing and educating employees through regular training and awareness sessions, such as fire safety and first aid;
- risk assessments as well as implementation of preventive and mitigating measures to reduce risks;
- regular inspections and workplace audits at subsidiaries to promote continuous improvement and identify hazards and non-compliances;
- communication with the entities of the group concerning best practices with respect to work arrangements; and
- fostering a culture for safe and healthy workplaces through events such as breast cancer screening, prostate cancer talks, blood donations, workshops on well-being, talks with a nutritionist, basic health screening and massages.

Rogers embarked on its wellness journey by revamping its related framework (The 360° Wellness Wheel) to address employees' physical, mental, emotional, financial and social needs; and introducing Meditation Fridays to provide employees with the tool to cultivate mindfulness and start the day by setting the right intention and state of mind.

Safety and Health training and toolbox talks:
3,960 employees (2021: 4,624)

Segments	Lost Time Injury Frequency Rate for every 200,000 hours worked
Agro-industry	1.3
Real estate	0.5
Commerce & industry	7.7
Hospitality	4.1
Logistics	4.9
Fintech	1.2

Number of reported Occupational Safety and Health incidents



Employment relationship legal framework

We have continued bettering our teams and the work environment by enacting the following internal policies to bring value and operational consistency in human resource management practices:

- A revised version of the employee and officer privacy policy
- Heavy rainfall protocol
- Policy on the prevention of violence at work
- Equal Opportunity Policy

Business partners & suppliers

Their expectations

- Equal access to supplier and partnership opportunities
- Be treated in a professional, fair, transparent, ethical and responsible manner

Our response

- We conduct business in a professional, transparent, ethical and responsible manner
- We share a copy of our Code of Ethics with business partners to ensure alignment
- We network with the private sector through numerous forums to ensure we share best practices that benefit our group and our business partners

Outcomes and highlights during the year

Corporate governance report (pages 82 to 96)

Group Review (pages 44 to 45)

Rs 10.6 bn

Procurement spend

Customers

Their expectations

- Consistently deliver on our brand promise in terms of products, services and experiences
- Anticipate customer needs, aspirations and expectations
- Fair commercial practices, sound ethics and good governance

Our response

- We use data and insights to attract new customers and deliver meaningful customer engagement across all our touchpoints
- We consistently evolve our products and services to create brand experiences that make a positive difference in our customers' lives
- We aim to deliver extraordinary customer service capabilities to earn and keep customer trust and increase our brand equity

Outcomes and highlights during the year

Customer centricity

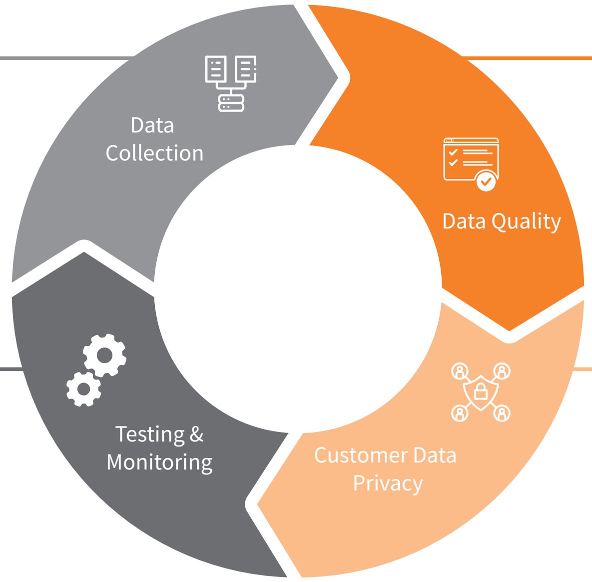
Customer centricity is a key strategic focus in Cap 23, our current business plan, and a mindset that ENL continues to nurture and communicate across all levels of its organisation. It is a must for our teams to understand our customers better than ever and to be able to offer a personalised and exceptional customer experience. In order for this to happen, accurate identification of customers and the stage reached in their journey is of vital importance. We have also dedicated feedback mechanisms embedded across all of our companies, with the following key scores being monitored:

- Customer Satisfaction Score (CSAT);
- Net Promoter Score (NPS); and
- Brand Health Metrics.

Data

As a valuable asset to the group and its entities, we are implementing best practices for compliance with Applicable Data Protection Laws and Regulations and Data Governance Procedural measures to ensure that the data is F.A.I.R. (Findable, Accessible, Interoperable and Reusable). To build capacity and to deploy the group's action plan for this stakeholder group, our Digital and Customer Experience team has expanded during the year and is an impetus for the implementation of a Group Data Strategy Roadmap through the adoption of a Customer Data Governance Policy Framework.

Customer Data Governance Program Roadmap



The core principle of Data Collection is to ensure that:

Each company minimizes potential errors by establishing processes and policies for usage and building trust in the data being used to make decisions.

The core principle of Data Quality is to ensure that:

Each company adopts the Data Quality Assessment Framework to ensure that Data is F.A.I.R – Findable, Accessible, Interoperable and Reusable.

The core principle of Testing & Monitoring is to ensure that:

Each company frames the performance goals of a data governance journey and monitor discrete metrics that reflect business expectations.

The core principle of Customer Data Privacy is to ensure that:

Each company is compliant with relevant applicable Data Protection Laws and regulations.

Several initiatives to create bespoke customer experiences have been implemented during the year under review:

- **Axess** adopted a world-class CRM solution to better serve and communicate with customers; and launched Serenity by Axess, a service and maintenance planner for customers to plan their motoring budget accurately.
- **Ensport** launched a website as a new customer touchpoint and activated Decathlon's Client Membership to enhance the brand's shopping experience.
- **Grewals** redesigned its website to facilitate intuitive navigation.
- **Nabridas** implemented an after-sales service feedback mechanism and deployed a loyalty programme with Dive'IN card.
- **ENL Property** performed its customer journey mapping to optimise its customer touchpoints and implemented a wide range of satisfaction benchmarks and continuous improvement programme.
- **Ascencia** revamped its website to provide a one-stop shop for all information on shops, offers and happenings for an enhanced brand experience.

ENL's online engagement:

334 k interactions
(2021: 153 k)

2.7 m content views
(2021: 788 k)

865 k content views
(2021: 923 k)

562 k page visits
(2021: 551 k)

Local communities

Their expectations

- Employment opportunities in ENL group
- Responsible citizenship
- Support to become more autonomous

Our response

- Through ENL Foundation, we remain committed to promoting integrated neighbourhoods, nurturing future generations and enabling vulnerable communities to live with dignity.
- We leverage our goodwill to contract strategic partnerships and secure funding from alternative sources, when applicable, to upkeep commitments.
- Through Moka'mwad, we bring together residents and regional players to improve the quality of life in Moka, our main region of operation.
- We actively support the arts, culture and sports through our sponsorship programme.
- Les Kocottes, former poultry houses, have been renovated and designed to promote social bonding, interaction and learning, by offering a multi-purpose space open to anyone providing a value-added activity to the city.
- We have working committees to spearhead the group's sustainability and inclusiveness programmes.

A healthy community: a priority for ENL Foundation who organised a day of free medical screening for the inhabitants of Cité Ste Catherine.

Outcomes and highlights during the year

Enable vulnerable communities to live with dignity

Case Management

One of the main building blocks of ENL Foundation's interventions is case management within communities. This allows the implementation team and beneficiaries to set clear objectives and goals. This provides direction to both parties and beneficiaries are empowered to achieve wellness and autonomy.

Zenerasion Nou Kapav (ZNK)

ZNK was set up four years ago by Eclosia and ENL Foundation to implement a community development programme at Cité Sainte Catherine. Its objective is to provide the necessary tools and support the residents to take ownership of their lives and community. ZNK has five pillars of intervention: financial autonomy, education, social housing, resilience, health and hygiene. During the year, ZNK assisted three families by providing administrative help to get building permits. A Médiathèque was inaugurated to provide a safe space for children to read, do schoolwork and be accompanied by a tutor.

Nurture future generations

Accompagnement Scolaire and Zenfan Sourire

The Accompagnement Scolaire and Zenfan Sourire programmes aim to ensure that schooling is accessible to children from vulnerable communities. This year, efforts were deployed to address difficult school topics and individual time dedicated to children by teachers. Subsequently, ENL Foundation organised remedial classes with teachers for smaller groups of children to deliver quality learning time.

33 children and 15 adults
have benefited from the Médiathèque

150
beneficiaries of Accompagnement Scolaire and Zenfan Sourire

Integrated neighbourhoods

Kolektif Moka'mwad is Moka Smart City's citizens' initiative that acts as an energizer, catalyst and curator of the city of Moka through multi-theme actions that it organises and co-organises. Moka'mwad upheld its agenda of activities with complimentary weekly activities at the Telfair Amphitheatre to gather people who live, work or study in the region; Moka Moments was launched to encourage people to meet in the public spaces of Moka and share a moment together, such as the Moon Rise and Sunrise Jog; and despite being limited to 500 participants, the Moka Trail 2021 remained as one of the most-awaited trail events in the region.

Moka'mwad

+100
volunteers

+1,000
participants in activities during the year

ENL Foundation

+100
projects implemented

Rs 28 m
investment in communities (+40%)

+10,100
direct and indirect beneficiaries

Government authorities

Their expectations

- Operations conducted in a safe and lawful manner
- Responsible citizenship
- Actor in the implementation of the Government's economic agenda
- Transparency, collaboration and networking

Our response

- We operate in full compliance with relevant laws and regulations.
- We proactively contribute to national growth through our dynamic entrepreneurial culture.
- We believe in the potential of partnerships to shorten learning curves and accelerate growth. Partnership with the public sector ranks high on our agenda.
- We contribute to the national dialogue through our membership in various industry organisations.

Corporate governance report (page 82 to 96)

Driving Impact - Economic (page 36 to 41)

Outcomes and highlights during the year

- Continuous contribution to the development of the national economy through investment in infrastructure, value distributed and employment creation.
- Participated in conferences, forums and panels at national level.

Rs 152 m
income taxes paid in Mauritius in FY22

ECOLOGICAL IMPACT

ENL takes ownership and responsibility for the impacts that its operations have on the environment. These possible impacts range from contribution to climate change to usage of natural resources, management of waste and preservation of the natural capital.

Introduction

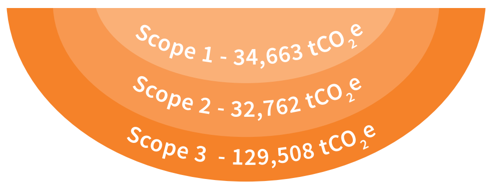
The successful implementation of any sustainability agenda depends on the establishment of a broader organisational culture on the topics of sustainable development and participation of all employees in the transformation process. To achieve this objective, we have strengthened the group's sustainability governance by creating numerous committees and working groups at different levels of the organisation.

Climate action

ENL wants to play its part to reduce climate altering carbon emissions from its operations. Since February 2022, Isodom, an external consultant, has been guiding the group through the process of calculating its carbon footprint and setting in motion its reduction path.

Carbon emissions in 2021

Total 196,933 tCO_2e



Carbon intensity

3.78 per Rs'm revenue

(Scope 1 & 2 emissions over revenue in Rs'm)

A significant focus of the project is the acculturation of ENL's employees on the topic of anthropogenic carbon emissions and the consequences of global warming. Initiatives during the year included:

- workshops on carbon emission sources and carbon footprint associated with business operations for business unit leaders and managers;
- use of *La Fresque du Climat*, a collaborative card game, to raise employee awareness about climate change;
- #myENL Buddy challenge using the Earth Hero app to reduce our collective carbon footprint; and
- celebration of international days such as the International Day without Meat through a meat-free lunch at ENL House and in some subsidiaries; the International Environment Day with a tree-planting event at River Jacotet; and the World Electric Vehicle Day through Oficea's Salon de l'e-mobilité.

+100

participants in La Fresque du Climat

Renewable energy

5,185 MWh

Renewable energy production

(2021: 2,777 MWh)

49,670 MWh

Total electricity consumed

(2021: 29,393 MWh)

4,948 tonnes

of avoided CO_2 emissions

(2021: 2,650 tonnes)

10% share

of electricity from renewable sources

Over and above acculturation, our businesses are being pushed to think of the impact of their operations on society and the environment while remaining economically viable. As such, ENL Agri is currently under audit for the Bonsucro certification to demonstrate its commitment to environmental and social sustainability of its sugarcane operations in the Savannah region.

Through the programme "Now for Tomorrow", Rogers Hospitality is committed to consolidating a resilient development, promoting sustainable consumption and protecting Mauritius' biodiversity through mindful development, preserving cultural and historical heritage and maintaining vibrant communities. To meet this objective, they started offering carbon-neutral stays to guests in October 2021 and are collaborating with Aera to purchase carbon credits as part of their carbon offset strategy.

6 hotels

Green Key Certified

Heritage Resorts

implemented Going Carbon Neutral Stay

Ascencia, retail asset fund, concentrated its efforts on minimising its impact in terms of energy, water and gas consumption, as well as solid and liquid waste production. The company is seeking LEED certification for all its malls, with the first one being Phoenix Mall targeted for November 2022; completion of the Heating Ventilation and Air Conditioning (HVAC) system at Bagatelle Mall enabling to alleviate tenants' occupancy costs and reduce energy consumption by 20%; and the installation of a biogas station to create high-quality compost and methane gas that will be connected to its refrigerant systems.

Circular economy

Following the launch of the ENL Waste Project, the group maintained the momentum on its journey to reach its target of 75% waste diversion from landfill. Waste manuals for most subsidiaries have been finalised and action plans have been devised by the teams. The project has also allowed for better waste traceability and increased sorting and recycling of materials.

We have enhanced our understanding and collaboration with actors from the circular economy ecosystem, triggering several partnerships during the year:

- The group partnered with BEM Recycling and Recyclean to offer discounted waste collection prices to ENL employees through the myENL card
- ENL Property and BEM Recycling underwent a trial phase for using recycled glass as aggregate in cement-based concrete
- Ensport and PIM partnered for the transformation of Decathlon's plastic hangers into dustbins
- Grewals is collaborating with The Good Shop for upcycling of excess material and slow-moving stock, and la Déchetèque for giving a second life to building materials
- Heritage Awali and Veranda Tamarin Hotel obtained "The PLEDGE™ on Food Waste" certification, an international label against food waste implemented by LightBlue and coordinated by the HRDC and Business Mauritius' SigneNatir Pact

Our sustainability team connected with organisations such as Business Mauritius' Club de l'Economie Circulaire, Made in Moris and Mission Verte; as well as the Government's Solid Waste Division during forums and networking sessions to share ENL's waste management framework and experience.

75%

Group's target rate for waste diversion from landfill

ECONOMIC IMPACT

The impact ENL has on the local, national and international economy. This includes creating employment and wealth, generating innovation, paying taxes, and inclusive growth.

Entrepreneurship

Femmes Entrepreneurs de Demain

Femmes Entrepreneurs de Demain is a participatory and holistic project financed by the Organisation Internationale de la Francophonie (OIF) and implemented by ENL Foundation. It was launched in November 2021 and will span over one year. It aims at promoting the economic empowerment of vulnerable women in Mauritius through the creation of microenterprises based on a 3-step process including personal development training, technical training, coaching and mentoring. By October 2022, ENL Foundation expects to have supported 30 women in their microenterprise journey and provided life and soft skills to 140 female beneficiaries.

25 women
enrolled

Bazart Kreasion

Founded by ENL Foundation in March 2011, Bazart Kreasion is an initiative to empower underprivileged women from Moka and neighbouring areas through micro-entrepreneurship, arts & crafts and art therapy. Two culinary projects were launched as part of Bazart Kreasion's development plan; Bazart Mokaray, a "table d'hôte" serving local cuisine and Bazart Mokaban, a food trailer.

To build on the value of the circular economy and generate more visibility and impact, Bazart Kreasion has been developing a number of projects for the upcoming year:

- opening a hub, namely Le ReStore, to bring together the products of Bazart Kreasion, The Good Shop and Moka Smart City in partnership with the latter two;
- launching a repair station at Vivéa Business Park in collaboration with The Good Shop;
- developing an e-commerce platform for the above-mentioned products; and
- launching a pop-up store for other microbusinesses under the aegis of ENL Foundation.

On the other hand, Bazart Mokaray will soon be registered as a social enterprise with the aim to be more self-sufficient and benefit from Government support.

25 women
empowered by Bazart Kreasion, Bazart Mokaray and Mokaban

Mo Bizness enabled the launch of 47 microbusinesses.

La Ferme Nou Leritaz supports the vulnerable population of the L'Escalier region, with more than 50 beneficiaries.

Leave No One Behind

Leave No One Behind aimed to alleviate poverty by empowering and mentoring low-income earners and the underprivileged to become resilient and economically independent. The programme, which spanned over three and a half years, comprised the following activities:

- **Capacity building programme.** Literacy classes and personal development programmes based on capacity building needs analysis.
- **Backyard gardening.** Families were provided with starter kits which included seeds, seedlings and tools; and training in organic planting, harvesting and nutrition & health.
- **Integrated and sustainable community farming.** Activities included organic planting at La Ferme Nou Leritaz at La Baraque and backyard farming of poultry layers, ducks and cattle. Families were provided with coaching, mentoring and training.
- **Incubator, *Mo Bizness*.** Provision of training and individual coaching in entrepreneurship to enable individuals to launch their own microenterprise and generate income. The programme included capacity building and technical courses; business development and marketing coaching; provision of seed capital; development of marketing tools; and networking & sales events.

5 local
communities targeted

345
vulnerable families reached

47
microbusinesses launched

Turbine

As a key economic player in Mauritius, ENL has nurtured an innovative ecosystem and enabled entrepreneurship through its Government-accredited incubator and start-up accelerator, Turbine.

Rs 7.8 m
external funds received

22 start-ups
pre-incubated

10 start-ups
incubated

Winners of the 8th Test Drive were "Enviclean" and "Mauriled Ltd". Enviclean offers an innovative reward system for the recycling of plastic bottles while Mauriled is a manufacturing LED lighting solutions start-up.

Mario Radegonde, Head of CSR, ENL Foundation "Leave No One Behind has been one of the biggest projects carried out by ENL Foundation in recent years. We are happy to see that our holistic approach has had a real impact on the lives of beneficiaries."

Contribution to nation

Aprann

The main objective of Aprann is to enhance the employability of unskilled and untrained low-income individuals from vulnerable communities. The project was divided into three phases: the capacity building programme, skills development & vocational training, and placement & on-the-job training. After two years of successful activities, Aprann came to an end in March 2022 with commendable results:

- 133 beneficiaries, 53 more than had been initially expected
- 47 trainees started their own business under the guidance of ENL Foundation

The ENL group contributed to
1.3 %
of national employment
(Using https://statsmauritius.govmu/org)

Infrastructure investments and services supported in Moka and Savannah

Pursuing its core purpose to build a resilient and thriving Mauritius by integrating the well-being of society and the environment, the group, via its real estate segment, has invested Rs 1.7 billion in the development of infrastructure and services that are beneficial to the country during the year. This includes road developments; community integration programmes; and the development of amenities.

Projects to enhance quality of life
Rs **1.7 bn**
Investment

#myENL COVID-19 Solidarity Fund

The #myENL Fund was created to support local communities that were the most impacted by the pandemic. Its ambition is to empower families for financial autonomy and to foster resilience among the most vulnerable.

Projet Poules Pondeuses

The poultry farming project is aimed at addressing the issue of food security. Each beneficiary receives 5 to 8 layers, a coop, 3-months' worth of feed and six months of support from a professional. The project is split into two phases: the first consists in providing a food source for the beneficiary and the second in generating income through the sale of the surplus eggs. During the year, an extra five families from Grand River North-West, L'Escalier, Alma and Cité Sainte Catherine were welcomed within the project. In the upcoming year, ENL Foundation intends to extend the project to targeted ENL group employees.

50 families
benefited from Projet Poules Pondeuses

Rs **1,200**
additional monthly income for families

Distribution of layers to beneficiaries as part of the Poules Pondeuses initiative.

Nourezo.mu

Nourezo facilitates the connection between self-employed tradesmen and customers for free. During the year, this digital platform focused on bettering its services and becoming a well-known brand. To this end, the company geared its team with 4 customer service representatives and a sales & marketing officer. A hotline was launched in April 2022 to facilitate the connection of clients and tradesmen while feedback mechanisms were being promoted. As at 30 June 2022, 90% of tradesmen had customer reviews available on their profile with customers being offered two options for each request being made. Nourezo also built its network by collaborating with the NEF to onboard new joiners and with the MITD for public awareness videos.

+650
verified tradesmen

+40
various expertise

+500
customers

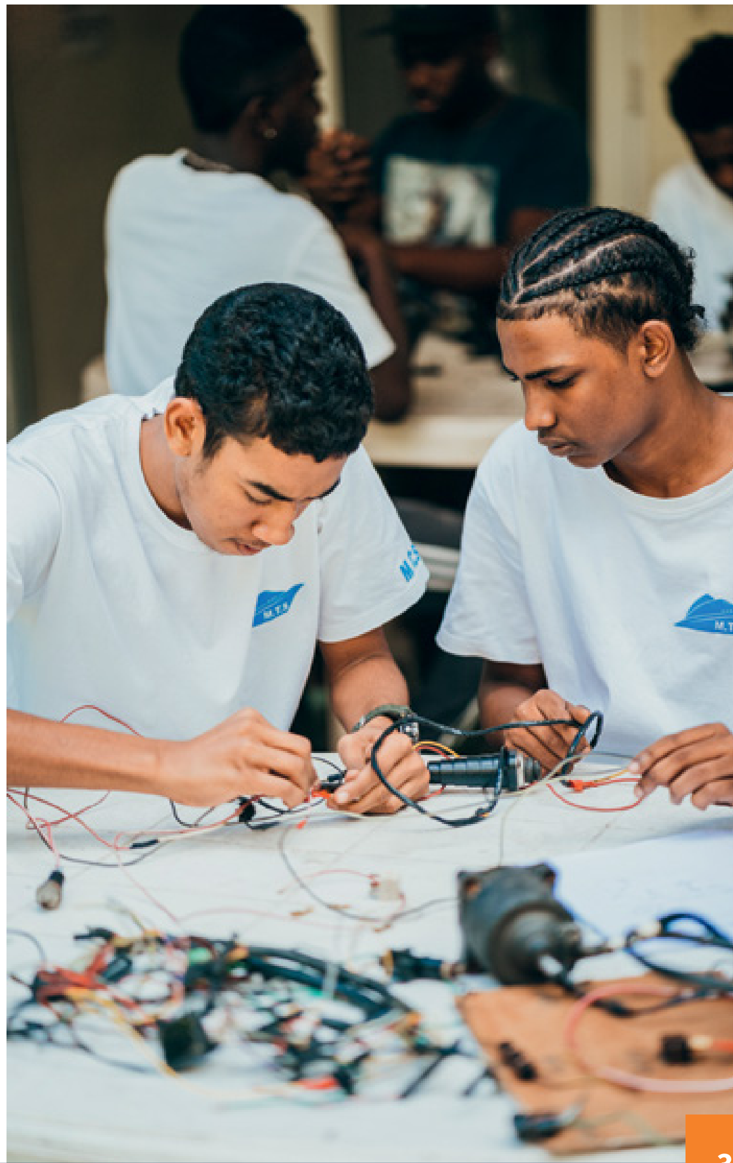
#myENL COVID-19 Solidarity Fund

Rs **10.4 m**
total contribution

Rs **4.6 m**
disbursements

nourezo.mu is a platform facilitating the connection between self-employed tradesmen and customers.

The Marine Technical School is led by ENL Foundation and Kolektif Rivier Nwar. Training in maritime trades began with fifteen young people from Rivière-Noire.



Innovation

Digitalisation

Cap 23 identifies digitalisation as a strategic enabler. The ENL digitalisation roadmap comprises four pillars: digital experience, automation, analytics and paperless. These pillars enable the group to improve its processes and services while enhancing customer and team member experiences. The key player for ENL's digitalisation roadmap is the Technology and Operational Excellence team, which defined its Cap 23 purpose as "Develop better, faster, cheaper & stable operations through technology & continuous innovation to stimulate sustainable growth" and is split into three sub-units:

- OPEX – Operational Excellence
- ICT – Support and infrastructure team
- CiLAB – Continuous innovation laboratory

We have also been strengthening our IT governance structure by implementing the COBIT Framework with a focus on Strategic & Best Practice Actions and to improve the Cyber Security Posture with more hardening actions and continued collaboration with the Chief Information Security Officer (CISO).

The main achievements during the year included the following:

- equipping property developments of Moka Smart City with IOT sensors and smart metering. This will allow our real estate team and our customers to monitor consumption;
- progress on optimisation of property development projects through the Building Information Management system (BIM); and
- deployment of e-signature processes in several entities of the group.

+800 CiLAB's
engagement with employees

+390 trained
in Operational excellence and Innovation culture

ENL ran various internal campaigns for the adoption of best practices in cybersecurity.

Moka Smart City's IOT platform includes fill level of voluntary waste drop-off points. It aims at making life easier for the city's users and bringing down Moka's carbon footprint.

Innov8

The post-pandemic sentiment has urged businesses to reconcile innovation and sustainable development to create value. Accordingly, Innov8, ENL's innovation and intrapreneurship challenge, held its second edition promoting the concept of sustainable innovation. The nine projects from the two editions are going through the feasibility assessment. Two of them are in the finalisation stage and will be implemented in the near future.

- iAgri, from the first edition is a platform to improve communication with contract growers for our agro-industry operations.
- Bazart Kreasion, the winner of Innov8's second edition, will aim to enhance the social impact of ENL while being economically viable through several initiatives such as an e-commerce platform and participation in Le ReStore.

30
participants

5 project
sponsors and champions

10
mentors

The theme of sustainable innovation was chosen for the second edition of Innov8, ENL's innovation and intrapreneurship challenge.

Performance review

ENL was a Gold Sponsor for the 22nd Seniors African Athletics Championships held at the Côte d'Or National Sports Complex.

GROUP **REVIEW**

Performance

The group posted good results for the year ended 30 June 2022. Revenue from continuing operations was up 39% and the group returned to profitability after two years affected by the COVID-19 pandemic. All operating segments were profitable and **Hospitality** realised a spectacular turnaround. Cash flows generated from operations doubled from the previous year to reach Rs 3.6 billion. Associated companies were also profitable for the year after incurring losses in 2021 and group profit after tax from continuing operations amounted to Rs 1.6 billion compared with a loss of Rs 1.1 billion last year.

Since borders reopened on 1 October 2021, there has been a remarkable pick-up in the hospitality industry. Occupancy levels as well as guest night spend were strong and this coupled with a fair value gain of Rs 246m enabled hotel operations to return to a higher level of profitability. The associated company, New Mauritius Hotels, registered a profit for the year compared with losses of Rs 3.1 billion last year. Segment profit amounted to Rs 369 million as against a loss of Rs 2.5 billion in 2021.

Agro-industry realised a profit after incurring losses last year. The segment benefitted from higher sugar prices and a marked improvement in remuneration for bagasse. The associated company, Eclosia, also performed better and the segment posted a profit after tax of Rs 79 million compared with a loss of Rs 35 million last year.

Commerce & industry realised a good performance despite challenges in the supply chain which persisted for the whole year. Revenue reached nearly Rs 5 billion with profits after tax increasing by 66% to Rs 240 million. All the subsidiaries operating within the segment were profitable; worthy of note was the performance of Ensport which operates the Decathlon franchise and contributed positively to profits for its first full year of operations.

The performance of the **Logistics** segment was boosted by its overseas operations which contributed around 50% to both revenue and profits. The increased revenue and profitability were driven mainly by a significant increase in freight forwarding activities both locally and overseas. Segment profit after tax from continuing operations thus increased by 39% to Rs 221 million.

Fintech posted increases of 20% and 10% in revenue and profit after tax respectively. The removal of the Mauritian jurisdiction from the EU's list of high-risk third countries put an end to the uncertainty surrounding the Mauritius International Financial Centre and impacted operations positively. This, coupled with the better performance of the associate Swan, resulted in a profit after tax of Rs 280 million.

Real estate, which comprises property development, shopping mall operations and rental of office spaces, continued to perform well. Revenue increased by 33% but profit after tax decreased due to lower fair value gains and the Group's contribution, in the form of land, for the construction of the new Verdun interchange. Demand for our portfolio of products, be it serviced plots of land, apartments, spaces in the malls and office spaces remained buoyant.

Remuneration of shareholders

We strive to pay to shareholders a reasonable level of dividends:

- Profit attributable to shareholders amounted to Rs 841 million, compared with a loss of Rs 733 million last year.
- A dividend of Rs 0.80 per share was remunerated to the shareholders for the year, totalling Rs 300 million and representing 60% more than the previous year.

Rs **2.21**
EARNINGS PER SHARE*
2021: Loss Rs 1.96
**from continuing operations*

Rs **0.80**
DIVIDEND PER SHARE
2021: Rs 0.50

2.96 %
DIVIDEND YIELD
2021: 2.41%

Financial position

Significant finances and resources were devoted to the growth of the group despite the uncertainties. Our balance sheet grew stronger with total assets valued at Rs 82.8 billion and total equity amounting to Rs 43.6 billion. We invested in the following key initiatives during the year:

- Extension of Bagatelle Mall, to enhance customer experience;
- Construction of Les Fascines, to respond to the demand in Vivéa Business Park and to meet the changing needs for workplaces;
- Start the development of several office blocks in Telfair to bring vibrancy to this new area of Moka;
- Launch of the development of Savannah Connected Countryside, a smart city in the south and a new pole for property development of the group;
- Development of Bel Ombre's second golf course, La Réserve Golf Links, to provide additional amenities to a growing clientele; and
- Purchase of extra 14.79% in Velogic and 49% in Velogic Kenya Logistics, increasing our exposure to this performing sector.

Our debt level remained reasonable with a gearing ratio at 36.5% on 30 June 2022, close to last year. Our aim is to enable our individual businesses to continually invest in their growth. To that end, we ensure that each of our businesses is autonomously financed, and risks are thus ringfenced within the entities concerned.

Outlook

Group results for the first two months have grown in line with anticipations and we expect to continue on this path for the coming year. However, the prevailing international uncertainties are a cause for concern and could impact the Group's performance.

Rs **17.8 bn**
REVENUE*
2021: Rs 12.8 bn

Rs **2.3 bn**
OPERATING PROFIT*
2021: Rs 959 m

Rs **1.6 bn**
PROFIT AFTER TAX*
2021: Loss after tax Rs 1.1 bn

Rs **82.8 bn**
TOTAL ASSETS
2021: Rs 78 bn

Rs **43.6 bn**
TOTAL EQUITY
2021: Rs 41 bn

Rs **76.30**
NET ASSET VALUE PER SHARE
2021: Rs 70.73

36.5 %
GEARING
2021: 37.2%

**from continuing operations*

LAND &
INVESTMENT

Despite the economic environment, the group has maintained its development pace and dividends have started to grow back.

The Land & investment segment serves as a facilitator for the group's growth with three sub-segments:

- Owner of the group's land assets as well as most of its investment portfolio. This enables the group to grow by funding the development of ENL's other segments through land sales and structured debt, which explains the segment's significant finance costs.
- Nurture the innovative local ecosystem and empower entrepreneurship through Compass, a corporate venture fund and Turbine, a start-up incubator and accelerator.
- Enlarge the group's renewable energy offering through Ecoasis, provider of energy solutions and EnVolt, owner of photovoltaic farms.

Operating Context

This segment generates revenue mainly from dividend income and sale of land. Despite the uncertain economic environment, the group has maintained its development pace and dividends have started to grow back.

The renewable energy industry is being supported by Government measures to accelerate the country's transition and to achieve the national target of producing 60% of the electricity needs from renewable sources by 2030, making it a good time to be positioned in this industry.

Performance

Revenue amounted to Rs 74 million this year and the segment recorded a loss after tax of Rs 446 million, after incurring finance costs of Rs 271 million (2021: Rs 271 million). Last year's results included income of Rs 54 million from the crystallisation of land conversion rights.

During the year under review, Turbine focused its efforts on being self-sustainable with an array of partnerships through B2B programmes, sponsorships, and funding initiatives. Overall, Compass' portfolio companies developed well this year despite adverse economic conditions. As at 30 June 2022, the portfolio was valued at Rs 297 million, a marked improvement compared to a valuation of Rs 234 million last year. The performance of the investments in one fund and four start-ups are the drivers of the portfolio's growth. Compass pursues the strategy to consolidate its shareholding in its best performing start-ups for the upcoming financing rounds.

In recent years, we have ventured into the production of electricity from solar energy. We have installed solar farms on the rooftops of several hotels, offices and commercial buildings through EnVolt. We are now looking at diversifying the economic use of our land through the production of renewable electricity from ground-mounted solar farms. We will devote selected land not earmarked for real estate development or agriculture to this alternative use. The recent purchase of a majority stake in Ecoasis, a local energy solutions provider to the local B2B market, brings to ENL the technological expertise it was lacking. We are ready to start investing in and operating farms at a reasonable scale, for which we have several projects already lined up, provided a viable framework is implemented by the authorities.

Priorities for the next financial year

- Support the group's long-term growth
- Assist Compass' existing investment portfolio to grow into mature and sustainable businesses
- Sustain the contribution to the development of the Mauritian start-up and innovation ecosystem by furthering the investments and programmes through Turbine
- Capitalise on the group's renewable energy momentum

Link to risks

Top group risks (pages 64 to 67)

Rs **74** m
REVENUE*
(2021: Rs 23 m)

Rs **446** m
LOSS AFTER TAX*
(2021: Rs 351 m)

** from continuing operations*

AGRO-
INDUSTRY

The largest contributor to the Agro-industry segment is our cane business. ENL remains a key player in the Mauritian sugar cane industry and has diversified its portfolio to include the following activities:

- landscaping services through ESP Landscapers and agro-supplies trading by Agrex;
- food crop production in open fields and in greenhouses;
- retailing of flowers and plants through La Pépinière; and
- poultry and deer farming.

We also hold a 39% interest in the Eclosia group, the market leader for chicken production and food retailing in Mauritius.

Operating Context

Global sugar prices have continued their steady rise due to the limited stock and increase in consumption and energy prices, which benefitted our cane activities. In addition, it was the first financial year when we took advantage of the enhanced remuneration of bagasse. On the other hand, the inflationary trend caused by the Russia-Ukraine war and the COVID-19 pandemic caused a significant surge in the cost of production, especially that of fuel and fertilisers. During the year, the hospitality industry transitioned to a post-pandemic phase with a positive impact of growth in the level of activities of our non-cane businesses.

Performance

Cane

The favourable operating context was reflected in the increase in revenue per tonne of sugar from Rs 16,010 to Rs 21,955. Cane tonnage went up from 220,879 to 239,800 tonnes but the sugar extraction rate fell to 9.8% compared to 10.2% in the previous year. This resulted in 18,242 tonnes of sugar accruing versus 17,522 tonnes the year before. The performance was impacted by the amendment of the Sugar Insurance Fund Act; as a result, the premium paid for the year more than doubled from Rs 13 million to Rs 34 million.

We have accelerated replantation of cane fields to take advantage of the promising operating context. We replanted 280 Ha during the year, slightly below target due to climatic conditions.

Non-cane

Tonnage of food crop produced increased by 27% to 2,000 tonnes. Landscaping services performed well and in line with the booming real estate industry. La Pépinière, the commercial nursery at Helvétia opened its doors to the public in June 2022, enhancing the offering of plants and flowers in the Moka region. The farming sub-segment delivered a good performance for the year with better prices for poultry.

Our associate Eclosia contributed Rs 113 million to the results of the group compared to Rs 18 million the previous year.

Priorities for the next financial year

- Accelerate the replantation of cane fields to improve productivity levels and take advantage of rising sugar prices
- Increase food crop production through the implementation of a permanent garden and product range expansion
- Seize opportunities to grow the market share in the landscaping sub-segment
- Focus on revenue generation from increasing tourist activities in the Bel Ombre region

Link to risks

Top group risks (pages 64 to 67)

(H) Improved performance mitigated by the hike in costs of intrants and adverse effects of changing climatic conditions

Rs 968m
REVENUE*
2021: Rs 776 m

Rs 79m
PROFIT AFTER TAX*
2021: Loss after tax Rs 35 m

** from continuing operations*

REAL **ESTATE**

Our activities in the real estate segment include the following:

- **Property development** – Mixed use property development in the regions of Moka, Savannah and Bel Ombre;
- **Offices** – Oficea, a property fund that specialises in office space development and management; and
- **Malls** – Ascencia, a retail asset fund specialising in the development and management of shopping malls through the property and asset manager, Enatt.

Link to risks

Top group risks (pages 64 to 67)

Buoyancy of the segment being hampered by the rising costs of construction and squeeze of purchasing power

Rs **4 bn**
REVENUE*
(2021: Rs 3 bn)

Rs **896 m**
PROFIT AFTER TAX*
(2021: Rs 1.3 bn)

** from continuing operations*

Property development

Operating Context

Over the last few years, property has seen a marked interest and remains an undeniable safe haven for investors. The importance of the place to live and associated comfort increased the attractiveness of our smart city portfolio. Moka is witnessing robust demand for plots of land and residential units. Government tax incentives for first-time home buyers have been extended for a second year in 2023 and are expected to keep boosting residential sales. Challenges are numerous in property development. The rising costs of construction have weakened the construction sector and are putting pressure on margins for built-ups. With global economic uncertainties, attracting clients from regional markets is a challenge and competition is strengthening with offerings from other smart cities.

Performance

Moka City

Moka is well on track to achieve its land sales target as per the objectives set in Cap 23, confirming its territorial attractiveness and position as a leading property destination in Mauritius. We are confident of the medium to long-term demand for land in Moka, as well as the appreciation of land value. Following the successful launch of two precincts, Telfair and L'Avenir, major infrastructure work has been kick-started. We launched the first residential project at Telfair in conjunction with a local partner and the 60 units offered to the market were quickly sold out. We introduced the first residential project in L'Avenir precinct in July 2022 and are enjoying very positive feedback from the market. We continued our momentum at Les Promenades d'Helvétia with the construction and delivery of additional residential units.

Efforts are directed to improve Moka's connectivity through road infrastructure around Verdun, in partnership with the Government. In addition, the authorities are planning for the metro's track to be extended to Saint Pierre.

Ascencia is the largest listed property company in Mauritius with 7 shopping malls across the island.

The team maintained its focus on curating Moka's lifestyle and citizen collective, Moka'mwad, which included the following initiatives:

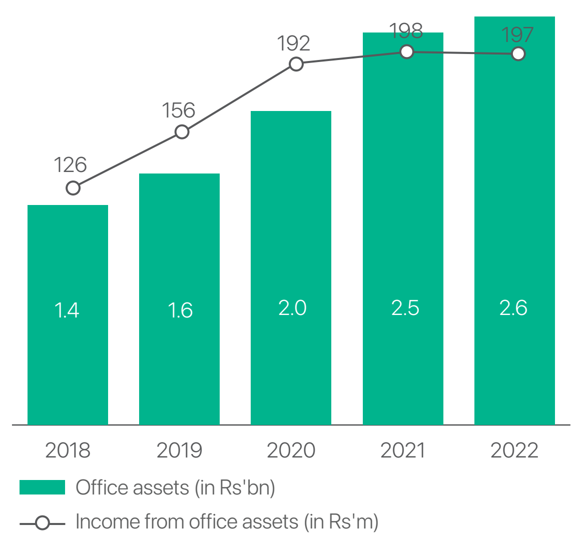
- welcoming the first tenants at Les Kocottes in the likes of NGOs, Moka'mwad and Made in Moris headquarters;
- putting in motion a cultural agenda hosting and supporting art and cultural events in Moka;
- curating various Moka'mwad initiatives through strong relationship and support of local authorities, like a cleaning and awareness campaign, a plastic recycling campaign, blood donation; and
- running various sports and activities that enjoy a wide affluence and boost the area's attractiveness: Moka Trail, Moka Decathlon Night Run, Moka Tennis Open, Moka Moonrise, Moka Rangers competitions and Moka Sunrise jogs.

Savannah

Savannah Connected Countryside was unveiled after obtaining a Smart City Certificate for over 365 arpents to implement a Small Village integrated project. Infrastructure works for the neighbourhood of Les Jardins was completed during the year and delivery to the new owners is scheduled for later in 2022.

Les Ateliers de Gros Bois, houses regenerated into offices, will enter operations in October 2022. This offering will complement the existing coworking and meeting rooms of La Place de Gros Bois for those looking to work in the South. The latter provides residents with a restaurant, grocery store, daily conveniences and has been in operation for over a year now.

The Savannah International Primary School started operations in February 2022. It is targeting to increase the number of students enrolled at its next intake in January 2023, in line with its vision to grow with its pupils.



Bel Ombre

The year saw the launch of the territorial brand Bel Ombre. Later. Lamer. Lavi. aiming to position the region as the reference for a sustainable and tropical art de vivre. Teams focused energies to perform a diagnosis of Agrïa so that an appropriate turnaround strategy can be designed for the company.

Priorities for the next financial year

Moka

- Seize the opportunity to further Moka's position as the leading smart city in Mauritius
- Achieve Cap 23 land sales target by implementing regional initiatives to tap in new markets
- Begin work for the sports complex, which will enhance the quality of life in Moka
- Anchor Telfair as a vibrant city centre by maintaining its development pace
- Continue the sustainability and technology programme of Moka

Savannah

- Establish Savannah Connected Countryside as the leading destination in the South of Mauritius
- Maintain the development pace through the sale of land and residential units
- Progress on more qualitative amenities for the region

Bel Ombre

- Launch of a Sustainable Smart Village, with a pipeline of property projects
- Unlock land value with new road infrastructure

Offices

Operating Context

Working habits have had to be entirely rethought and transformed for a post-COVID-19 world; with a rise in flexibility, work-from-home, coworking and serviced offices. Despite changing working habits, the demand for offices in Moka has grown. The market is experiencing a surge of new entrants which, coupled with the increase in construction costs, is intensifying competition.

95%
OCCUPANCY RATE

Performance

The year was marked with the opening in June 2022 of Les Fascines, a 9,000m² LEED-certified building with a 60% occupancy rate at start. Designed to accommodate the new working trends, Les Fascines has enlarged the group's office offerings with coworking spaces in partnership with Workshop17, a South African operator. Oficea is making headway in implementing the concept of workspitality to make the daily life of the 1,800 employees of its tenants easier. Enhancing the leisure activities, enlarging the food & beverages offering, providing nursery services are initiatives that became a reality during the year. They are contributing to a high level of satisfaction and the portfolio is enjoying a 95% occupancy.

Priorities for the next financial year

- Manage tightly the existing portfolio
- Extend the workspitality offer to uplift the game
- Nurture the partnership with Workshop 17
- Materialise the Telfair project, giving birth to a unique mixed-use city centre in Moka. Construction of 20,400m² LEED-certified mixed-use buildings in Telfair has begun and is due to be completed by December 2023. The development consists of 3,000m² of retail space as well as more than 300 underground parking bays. It is being financed through a Rs 2.3 billion fundraising that was recently completed.

Malls

Operating Context

Following uncertainties surrounding the global crises over the past two years, such as the prolonged pandemic or economic and international tensions, the malls have again delivered a strong performance marked by improving the rent to turnover ratio and trading densities. Consumption levels have been holding up high lately and we are expecting the pace to continue despite uncertainties.

Performance

The opening of 42 Market Street and the new shopping gallery at Bagatelle Mall housing global brands are well-received by the market. Some 22,283m² representing 17% of the portfolio's GLA were renewed at a rent reversion rate of 5.6% against a standard escalation of 5.0%. A commendable achievement at a time when competition is shaping up, testifying to the confidence that tenants have in the continued success of Ascencia malls. Local initiatives to promote and support local entrepreneurs by giving them visibility in malls benefited some 30 SMEs, who were proposed preferential rates and more than 36 markets were organised during the year to promote SMEs. Ascencia launched in August 2021 its new digital operations platform, Infraspeak, which contributes to the objective of achieving stronger operational excellence.

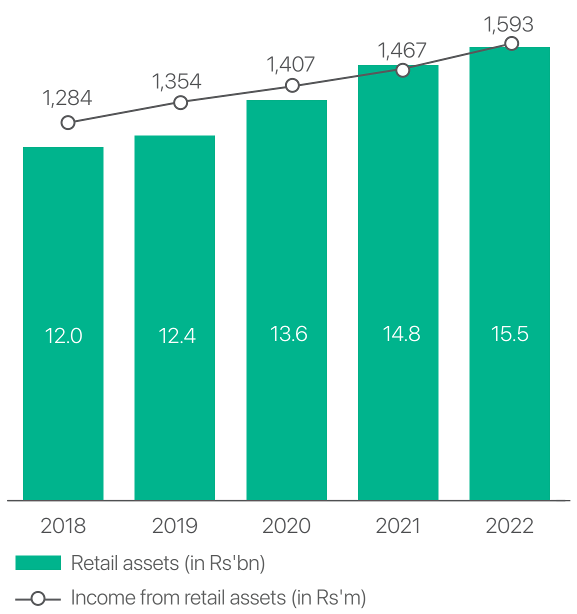
Results for the year were in line with expectations with net operational income growing by 13.9% from last year. Trading density increased by 16.8% and the rent to turnover ratio reduced from 8.6% to 7.9%. Cash flow management remained a priority and cash collections for the year represented 101% of billings. The migration from the DEM to the Official Market of the SEM and subsequent inclusion in the SEM-10 and SEMSI have enhanced the liquidity of the Ascencia shares.

Priorities for the next financial year

- Launch of the metro station at Phoenix Mall by end 2022, providing facilities and new shopping offerings to commuters and shoppers alike
- Revamping of Riche Terre Mall to refresh the look and feel inside and outside and improve the tenant mix of the food court
- Extension of Bagatelle Mall to bring the Home & Leisure node closer to the mall and hosting new brands, thus enhancing the offering
- Continuous improvement of operations through focusing on business continuity, process optimisation and monitoring of critical assets
- Implementation of a CRM to centralise several aspects of asset management and improve efficiency, visibility and tenant relations

+13.9%
NET OPERATIONAL INCOME GROWTH

+16.8%
INCREASE IN TRADING DENSITY



COMMERCE & **INDUSTRY**

Decathlon celebrated its first-year anniversary with good results.

The segment provides a range of products and services sourced both locally and from a network of trusted global suppliers. The main sub-segments are automotive, retail, building materials and eyewear manufacturing, and we strive to be among the leaders in our markets. The latest addition to the portfolio is Suntricity, a distributor of solar solutions to the B2B market. We also provide IT goods and services to the B2B market through our associated companies.

Operating Context

The bulk of our activities are concentrated on the local market and have benefitted from sustained consumer spending as well as public and private infrastructure investment. Our automotive and ICT business units continue to operate below full capacity due to supply chain disruptions. Our margins remain under pressure from the rise in global prices and freight, and the depreciation of the Mauritian rupee. The latter however remains favourable to our export-oriented activities, such as the production and sale of eyewear to the US and European markets.

Performance

The Commerce & industry segment performed well with positive contributions from all sub-segments. Despite the shortage of vehicles, Axess strengthened its position with a market share of 22.5% (2021: 21.7%), which reflects its efforts to improve customer experience. The new vehicles' market is showing resilience and volumes are expected to increase going forward.

Ensport, operating the Decathlon franchise for global sports and athleisure, celebrated its first anniversary with good results and successfully launched its e-commerce platform as part of its engagement plan to increase the brand's awareness.

The optimal market conditions for the construction industry led to improved profitability for all three building materials' companies. Nabridas had a record year for swimming pool sales while the launch of new product lines has consolidated Grewals' revenue and contributed to improving the company's profitability.

Plastinax recorded a good performance. The company's continuous efforts to broaden its client portfolio and diversify its product offering are paying off. Focus on efficiency, innovation and quality is at the forefront of the company's strategy and is expected to support sales for next year.

Notwithstanding the disrupted market environment, our associates performed well with a contribution of Rs 30 million (2021: Rs 25 million) to profit. Superdist effectively mitigated supply chain issues by onboarding new brands. FRCI consolidated its leading position on the ICT services market, improving on its performance.

Priorities for the next financial year

- Further consolidate market leadership positions
- Take advantage of more dynamic conditions on respective markets and improve performance
- Pursue growth strategy through initiatives to develop new businesses, including onboarding of new brands

Link to risks

Top group risks (pages 64 to 67)

(G) Prolonged effects of the global supply chain strain and depreciated Mauritian rupee accentuated by the Shanghai lockdown

Rs **4.9 bn**
REVENUE*
2021: Rs 4 bn

Rs **240 m**
PROFIT AFTER TAX*
2021: Rs 145 m

** from continuing operations*

HOSPITALITY

Through Rogers Hospitality, we deliver an integrated hospitality, dining and leisure experience via well-established brands like Veranda Resorts, Heritage Resorts and Rogers Aviation. We are Mauritian franchisees for Domino's Pizza and Ocean Basket. We are also a key shareholder in the associated company, New Mauritius Hotels, which operates the Beachcomber brand.

Operating Context

The Government's support during the pandemic to preserve hospitality activities and employment has been key in getting the industry quickly out of the crisis. This financial year, restrictions finally began to ease. Hotels reopened, travel resumed, often quicker than expected. We have been pleasantly surprised by the level of arrivals and occupancy in our hotels in October and November 2021, post-border reopening. The inclusion of Mauritius on the list of *rouge écarlate* countries by France in December 2021 has affected part of the peak season. Fortunately, restrictions were quickly lifted, and activities picked up again. The sustained demand for Mauritius among tourists confirms the destination's relevance for our target markets. For the period from January to June 2022, the country's tourism earnings reached 80% of pre-COVID-19 levels, showing that we are on the path of recovery. Connectivity is improving with existing or returning airlines being granted additional slots, enabling the country's inventories to fill at a better rate. The industry is going through some challenges that it will have to address, such as a shortage of resources post-restart of operations and inflationary pressures on costs.

Performance

This year saw the turnaround of Hospitality, going from losses of Rs 2.5 billion last year to profit of Rs 369 million. Rogers Hospitality contributed Rs 394 million to profit after recording fair value gains of Rs 246 million on land in Bel Ombre. Our share of New Mauritius Hotels' loss amounted to Rs 25 million. Focus was on the post-COVID-19 resumption of operations, border reopening and finally allowing the business to function at total capacity. By the third quarter of the year, the segment had a robust performance with guest night spending well above pre-COVID-19 levels and good occupancy levels.

We are transforming operations to navigate the recovering industry. The hotels, leisure and restaurant activities under the hospitality segment have been merged into one single entity, giving birth to Rogers Hospitality. The company's objective is to deliver premium hospitality services that benefit the environment, add value to local communities and uplift guest experience. We focus on creating the best experience to offer unforgettable stays to our guests, so that they in turn become brand ambassadors.

The prolonged pandemic resulted in changing needs and aspirations from our clientele. We are seeing more last-minute bookings, slightly longer stays and enhanced expectations regarding sustainability commitments. The consolidation and activation of the 'Now For Tomorrow' Sustainability Roadmap were one of the team's priorities this year. The programme reflects Rogers Hospitality's commitment to consolidating resilient development, promoting sustainable consumption, protecting Mauritius' biodiversity through mindful development, valuing cultural and historical heritage, and maintaining vibrant communities.

Priorities for the next financial year

- Take advantage of the promising context for hospitality
- Continue to work on turnaround strategies for non-performing businesses
- Restructure and reduce the debt portfolio
- Keep digitalising the operations to enhance customer centricity and operational excellence
- Run the Now for Tomorrow programme

Link to risks

Top group risks (pages 64 to 67)

(F) Full swing of the segment's performance, following significant boost in tourist arrivals in the backdrop of shortage of workforce

Rs **2.9 bn**
REVENUE*
(2021: Rs 859 m)

Rs **369 m**
PROFIT AFTER TAX*
(2021: Loss after tax Rs 2.5 bn)
**from continuing operations*

Hospitality activities have picked up again with promising forward bookings.

LOGISTICS

Resilience was maintained as operations navigated the uncertainties thanks to the growth strategy and a capacity to adapt to the fast-evolving landscape.

The logistics industry plays a pivotal role in the economy by connecting manufacturers and consumers through the flow of goods and services. Our logistics and supply chain services are mainly supplied through Velogic, a subsidiary of Rogers, and cover a broad spectrum of operations, including freight forwarding, customs clearing, courier service, domestic transportation, and container services. ENL owns Rennel, agent for courier services FedEx in Mauritius.

Operating Context

The financial year was marked by a volatile operating environment that slowed global recovery. Our businesses remained exposed to increasingly difficult and unstable economic and market conditions driven by the pandemic. This uncertain macroenvironment was exacerbated by the inflationary pressures fuelled by the Russia-Ukraine war. Ocean freight remained challenged with ongoing capacity constraints and higher rates, while air freight activities picked up as commercial flights resumed gradually. Courier services continued to benefit from the surge in e-commerce, but experienced a deceleration with the rise of customers travelling in the last quarter.

The performance for the next financial year will depend on the global context as well as the sustainability of household consumption and trade patterns. Rising fuel prices and a potential recession in developed markets may affect operations. Air freight volumes should increase, with commercial flights expected to operate normally for the entire year. Locally, the gradual recovery of the hospitality sector should provide upsides to import volumes. In Kenya, the elections are hindering growth in the first quarter of the fiscal year, but we are expecting a peaceful transition of power.

Performance

Resilience was maintained as operations navigated the uncertainties thanks to the growth strategy and a capacity to adapt to the fast-evolving landscape. Teams are showing agility in meeting customers' new requirements and finding solutions to continue making trade as easy as possible.

Velogic was listed on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius in December 2021, a significant step in providing an additional option to finance growth. The company's overseas activities account for about half of its profits. In October 2021, Velogic purchased the shares of a private equity player in Velogic Kenya, transitioning to full ownership of this growing business. Furthermore, it also completed a strategic partnership for the French operations through the sale of 70% of its stake to an established local operator.

Rennel contributed positively to the group's performance as a result of good inbound business volumes. It also improved its efficiency through the streamlining of processes coupled with several digital initiatives.

Priorities for the next financial year

- Expansion of operations in Madagascar and India
- Optimise fleet utilisation to generate upsides
- Follow household consumption and trade patterns to anticipate the market demand
- Monitor external factors that could affect operations

Link to risks

Top group risks (pages 64 to 67)

J Growing competitive landscape in terms of air, courier and sea freight causing pressure on margins

Rs **3.7 bn**
REVENUE*
(2021: Rs 3.1 bn)

Rs **221m**
PROFIT AFTER TAX*
(2021: Rs 159 m)
**from continuing operations*

FINTECH

This segment operates under the brand name of Rogers Capital with three core sectors: corporate, technology and financial.

The segment operates under the brand name of Rogers Capital with three core sectors: corporate, technology and financial. It positions itself as a provider of structured solutions for international and domestic clients. Through Rogers, we hold a significant stake in Swan General, a leading general and life insurer in Mauritius, as well as Swan Capital Solutions, a company operating in the fund management and brokerage industry.

Operating Context

The removal of Mauritius from the grey list of the FATF and its subsequent exit from EU's list of high-risk third countries restored confidence in the jurisdiction at a global level. The dearth of competencies in Global Business and Technology has been exacerbated by the exodus of skilled talent to countries like Luxembourg, Malta and Switzerland and is putting pressure on the operations. The reopening of borders in October 2021 has boosted economic recovery. Consumption levels have been holding up high lately and we are expecting the pace to continue despite uncertainties. Rising inflation and the value of the local currency are being closely monitored.

Performance

Rogers Capital Corporate Services reported solid growth in earnings while improving efficiency and cash collection. Rogers Capital Tax Specialist Services founded last year the Tax Africa Network. The latter counts professional tax firms from 15 countries and offers a common platform for a pool of African tax specialists to share valuable expertise, data and cross-refer advisory work. Rogers Capital Technology Services enhanced commercial development on its traditional offerings and the marketing and sale of innovative Robotic Process Automation and Artificial Intelligence-driven solutions. The continuous efforts of Rogers Capital Financial Services to tightly manage the credit risk resulted in a further improvement in the quality of the loan book. The share of profits from the associate, Swan group contributed Rs 260 million to the group's results, a marked improvement compared to Rs 233 million last year.

Priorities for the next financial year

- Corporate Services to take advantage of the renewed confidence in the Mauritian jurisdiction
- Roll-out by Technology Services of fibre optic in 33 high-density business areas in Mauritius to derive additional market share
- Reorganisation of Financial Services business to unlock potential through strategic partnerships and organic growth
- Digitalisation and customer experience agendas will be maintained while close monitoring of key metrics is also expected to improve financial performance

Link to risks

Top group risks (pages 64 to 67)

Ⓚ Exogenous and macroeconomic factors hinder growth prospects

Rs **1.2 bn**
REVENUE*
(2012: Rs 992 m)

Rs **280 m**
PROFIT AFTER TAX*
(2021: Rs 254 m)

**from continuing operations*

RISK **MANAGEMENT**

"In spite of the lingering geopolitical and global supply chain headwinds, the group maintained its focus on driving performance whilst managing the downside risks on the local and international fronts."

Mushtaq Oosman
Chairman, Audit and Risk Management Committee

As the world witnessed signs of the end of the COVID-19 pandemic, the Russia-Ukraine war came as a blow along with its ripple effects on the humanitarian and economic fronts. At ENL, we are not spared from the collateral effects of the war, global supply chain disruption, rise in inflation and interest rates which are affecting our costs of intrants and pose serious challenges to costs containment. Despite these conditions, optimism, focus, and resilience remain at the heart of our business units.

In an ever-more complex and uncertain world, businesses are bound to evolve to ensure their future-fit which implies being appealing to customers and their changing preferences, attracting future talents, ensuring that sustainability is part and parcel of the business operations and ultimately, aligning success of the enterprise with that of society. At ENL, the combination of several transversal initiatives linked to customers, talents, sustainability, and social footprint are geared towards the future-fit of the group and hence, sustainability of our businesses for future generations (read more in the Driving Impact section).

Actively managing our risks remains pivotal to the long-term success of our business and to the achievement of our strategic business objectives. The Audit and Risk Management Committee (ARMC) of ENL Limited supports the Board in fulfilling its corporate governance responsibilities which are further outlined in the corporate governance section of this integrated report *(see pages 82 to 96)*.

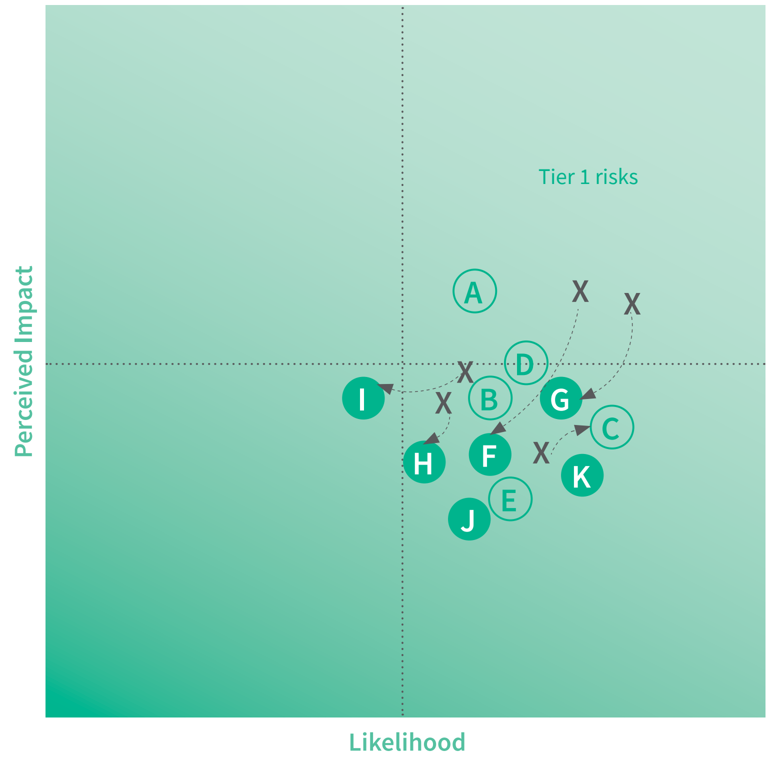
Oversight on risk management at ENL

Through the group's risk management framework, ENL is apprised of its key existing and emergent risks inherent to its business operations. Refer to the risk profile section. The risk management framework which captures the governance structure, and the harmonised enterprise risk management (ERM) framework is available on ENL website, www.enl.mu.

Our risk profile is a summary of risks at group level, i.e., those risks cut across the group's served markets and are therefore significant for ENL and risks specific to served markets. The key residual risks of ENL and how those risks have evolved are translated on a 'Risk heatmap'.

The principal risks depicted on the diagram are the outcome of discussions with Senior Management and Audit and Risk Committee (ARMC) members to identify and prioritise those risks that can impact ENL. Tier 1 risks, those in the upper-right hand quadrant, are of greater concern. The symbol 'X' in the heatmap denotes the risk position of last year.

Dynamic risk heatmap of ENL group



Keys

Risk trends: **X Risk posture - last FY**

Nature of risks ● **Group risk** ○ **Served market risk**

Group risks

- Ⓐ Economic uncertainties driven by geopolitical and energy crises compounded by rising inflation
- Ⓑ Evolving customer preferences and greater client experience
- Ⓒ Mobility of talents and changing expectations of the workforce driven the great "reshuffle"
- Ⓓ Sustainability footprint
- Ⓔ Technology, information security and digitalisation risks

Served market risks

- F Full swing of the segment's performance, following significant boost in tourist arrivals in the backdrop of shortage of workforce
- G Prolonged effects of the global supply chain strain and depreciated Mauritian rupee accentuated by the Shanghai lockdown
- H Improved performance mitigated by the hike in costs of fertilizers and herbicides and adverse effects of changing climatic conditions
- I Buoyancy of the segment being hampered by the rising costs of construction and squeeze of purchasing power
- J Growing competitive landscape in terms of air, courier and sea freight causing pressure on margins
- K Exogenous and macroeconomic factors hinder growth prospects

Risk profile

Top group risks

Challenges and their impact	How we respond	Opportunities	Link to Strategic Focus areas	Capitals impacted
A Economic uncertainties driven by geopolitical and energy crises compounded by rising inflation				
• The prolonged global supply chain strain, energy crisis fuelled by the Russia-Ukraine war, hike in commodity prices and warning signs of recession in developed economies pose challenges for businesses to contain costs thereby hindering their potential to drive higher profitability and returns for our stakeholders. • On the local front, the depreciated rupee, rise in interest rates and cost of capital, heightened cost of living, 'double-digit' inflation and recent downgrade of Mauritius' credit rating by Moody's are likely to contribute to sub-optimal performance of our served markets.	• Closely monitor Cap 23 and performance of our served markets by the Board and leadership. • Maintain profit margins by revisiting selling prices, broadening value-offerings, managing costs of operations, benchmarking against competitors to nurture customer appetite and satisfaction. • Leverage on the scalability of our businesses and strategic partnerships to pave the way towards expansion of the group's activities. • Stay informed of changes in the economic, competitors and customers' landscape to take advantage of potential tailwinds and/or anticipate potential business risks. **Risk rating after mitigation** Low High	Embark on the group's next 3-year plan to maintain growth ambitions.	Operational excellence Customer centricity	Financial Manufactured Human
B Evolving customer preferences and greater client experience				
• The lingering effects of COVID-19 and global inflation trend entail in changing customer behaviour hence contributing to a slowdown in the sales momentum and appetite for our products and services. • Risk of failure to consistently deliver on the brand promise in terms of products, services and experience may deter existing and potential clients.	• Maintain engagement of our sales, marketing, client facing teams towards nurturing client experience. • Ensure that our wide array of offerings provides an attractive price point for various customer segments. • Regular benchmarking with competitors to ensure agility in our commercial and sales strategies. • Shift towards omni-channel client – "phygital" experience. • Use of customer data in a secure and General Data Protection Regulation (GDPR) compliant ecosystem are implemented. **Risk rating after mitigation** Low High	• Deployment of data-driven marketing, culture, and customer engagement plans. • DPA and GDPR rules being solidified and deployed across the customer journey.	Customer centricity	Intellectual Manufactured
C Mobility of talents and changing expectations of the workforce driven the great "reshuffle"				
• Increased mobility of key personnel, shortage or departure of skilled/qualified employees especially in key served markets such as agriculture, global business and hospitality are growing concerns impacting on the strategy execution. • The 'great reshuffle' and/or 'great resignation' entail in fast turnover of staff that creates interrelated risks as the group loses years of relationships and organisational intellectual capital.	• Investment in our people to nurture our talent pool through trainings, performance & reward schemes, reinforcement of the employer-value proposition whilst integrating 'diversity'. • Strategic human resource management at group level emphasise on talent and performance management, employee engagement and national benchmarking of our remuneration policy. **Risk rating after mitigation** Low High	Launch of the 'REAL' leadership programme to further enhance the potential of future leaders.	Teams	Financial Human

Challenges and their impact	How we respond	Opportunities	Link to Strategic Focus areas	Capitals impacted
D Sustainability footprint • Combined effect of transition and physical risks associated with climate change entail in forthcoming changes in policies and regulations as the country aims at the reduction of its carbon footprint by 2030. • Scrutiny of investors and stakeholders to environmental, social and governance (ESG) considerations of the business.	• **At group level**, pursue our journey via: – Reinforcement of the sustainability team. – Initiatives to measure and gear towards reduction of the carbon footprint of our entities. – 'La Fresque du Climat' workshops to raise awareness of leaders and teams. • **At served market level:** several initiatives such as 'Now For Tomorrow' sustainability programme (Hospitality), reduced energy consumption initiatives by shopping malls (Ascencia) amongst others. • **On the governance side:** integrate sustainability plans in business models. • **On the social front**, the group maintains its strong footprint in helping communities to drive entrepreneurship and innovation culture. **Risk rating after mitigation** Low High	• Consolidation of the sustainability roadmap for the years ahead. • Implementation of action plan to reduce carbon footprint.	Sustainability	Natural Financial Manufactured
E Technology, information security and digitalisation risks • IT and security-related risks taking the form of evolving cyber threats, threats to loss of confidential data and data privacy, given increasing business dependency on networked system and connected devices (IOT). • Risks associated with connectivity to our devices and internet as well as delays in adoption of disruptive technology.	• Continuous focus on digital transformation, automation of processes and e-commerce to gain competitive advantage in line with Cap 23 goals. • Digital Upskilling programmes are sustained to ensure that teams gain agility and efficiency with respect to business tools and digitalisation trends. • Materialisation of key initiatives by the Chief Information Security Officer to uplift 1) IT & Security processes, 2) people awareness and 3) technology security platforms. **Risk rating after mitigation** Low High	Deployment of network and e-learning tools for security of workstations and increased awareness for our teams.	Operational excellence	Human Intellectual

Top served markets' risks

The table summarises the key inherent risks, linked to the strategic objectives of each served market, and corresponding strategic responses geared to achievement of set goals.

Served markets	Challenges and their impact	How we respond	Opportunities	Link to Strategic Focus areas	Capitals impacted
Hospitality	**F Full swing of the segment's performance, following significant boost in tourist arrivals in the backdrop of shortage of workforce** • Exposed to the ripple effects of the prevalent world crisis which entail in significant inflationary pressure on operating costs. • Growing challenge to secure an experienced Mauritian workforce, due to other competing Employer Value Propositions, thereby causing a lack of manpower. • Exogenous factors are likely to stay in 2022-23 namely – rise in air ticket prices, – cost of living constraints, – increases in our borrowing costs denominated in foreign currency, and – agile competitors and changing consumer trends. **Impact:** Sub-optimal profitability.	• Broaden of the value-offerings and strong emphasis on customer centricity thus yielding meaningful experiences and reversion of clients. • Work towards higher Revenue per average room night by taking advantage of the appreciated GBP/USD/EUR and product pricing strategies. • Capitalise on the strong forward bookings along with recruitment of European representatives to strengthen the sales team in the region. **Risk rating after mitigation** Low High	• Nurture the strong existing partnerships with regional and other partners and seek new partners to speed up sales. • Official launch of La Réserve Golf to further entice attractiveness for travellers. • Tap on the digitalisation initiatives to drive upskilling of teams and closer monitoring of business performance.	Operational excellence Customer centricity	Financial Human
Commerce & industry	**G Prolonged effects of the global supply chain strain and depreciated Mauritian rupee accentuated by the Shanghai lockdown** • Combined effects of the Russia-Ukraine war and sub-recovery of the global supply chain network contribute to the lingering effects of the semi-conductors' crisis, lengthy lead time, low stock availability, and higher pricing of raw materials and end-products. • Risks to the sustainability of the sales momentum due to consequences of the double-digit inflation and heightening of the cost of living in Mauritius leading to changing customer behaviour. **Impact:** Potential slowdown in the revenue generation in event of alteration in the customer spending behaviour.	• Leverage on our customer service and wide array of products to offer suitable alternatives to retain and attract clients. • Improve our supply chain resilience by increasing the product portfolio diversity and stock ordering limits, securing new sourcing partners and price negotiation with suppliers. • Maintain our profit margins by revisiting our selling prices to remain competitive through aggressive sales strategy and product visibility. **Risk rating after mitigation** Low High	• Broaden Axess's product base by securing new Electric Vehicle (EV) vehicles for FY23 by taking advantage of the National budget measures regarding reduction in Import Excise Duty for hybrid cars (25% up to 70%) and electric vehicles (15%). • Work towards the opening of a second outlet for the 'Decathlon' brand in the Northern region.	Operational excellence	Financial Manufactured Human

Served markets	Challenges and their impact	How we respond	Opportunities	Link to Strategic Focus areas	Capitals impacted
Agro-industry	**H Improved performance mitigated by the hike in costs of intrants and adverse effects of changing climatic conditions** **Cane activities** • Triple-whammy effects of 1) shrinking cane tonnage, 2) delayed replantation of new cane varieties and 3) changing climatic conditions are likely to affect revenue streams. • On the operational front, exposed to the hike in prices of fertilizers and herbicides driven by supply chain crisis and growing shortage of operatives for field operations are growing challenges. **Other activities** • More aggressive 'price-service' of competitors remains a challenge to revenue and profit margin optimisation. **Impact:** Higher costs of intrants and damage to cane and food crops are plummeting profitability despite favourable sugar prices.	• Sustain the diversification strategy of non-cane activities. • Collaboration with MSIRI for identification and use of new cane varieties and acceleration of the replantation cycle. • Plan initiated to enable forward buying of key intrants to avoid operational disruptions. • Maintain the high quality of products and services coupled with aggressive marketing to enlarge our customer base especially with the strong pick-up of the hotels. **Risk rating after mitigation** Low High	• Initiatives geared towards securing the 'Bonsucro' certification regarding cane growing to improve our product and value-offering. • Rethinking of the segment's offerings and product/service array to continue the diversification strategy.	Operational excellence	Natural Financial Manufactured
Real estate	**I Buoyancy of the segment being hampered by the rising costs of construction and squeeze of purchasing power** **Residential** • Increases in construction costs over the last 2 years are likely to be prolonged thus, entailing in significant rise in property prices. **Offices** • Oversupply of office space (new Grade A built ups) in Mauritius along with growing competition amongst office parks thereby making it more difficult to attract new and sizeable tenants. **Impact:** Pressure on margins and rental rates and lengthier cycle time for property sales. **Malls** • Macroeconomic uncertainties w.r.t changes in consumers' shopping habits, high inflation and fall in purchasing power coupled with the forthcoming opening of a new competing shopping mall down the road. **Impact:** Fall in rent-to-income turnover ratio and tenants' performance and ultimately, lower financial valuation of properties.	• Review the pricing strategy, construction methods and materials sourcing to remain competitive. • Extensive marketing initiative to boost Moka and the recently launched 'Savannah Connected Countryside'. • Leverage on the changing work trends to uplift our product range through the 'Workspitality' concept as well as forefront new office developments in Telfair. • Secured renewal of tenants' expiring leases with a higher rental reversion rate thereby testifying the trust of our tenants and success of malls. • Maintain the development and innovation momentum in the malls to nurture shoppers' and tenants' interest i.e., opening up of 42 Market street in Bagatelle Mall and upcoming renovation in Phoenix mall. **Risk rating after mitigation** Low High	• Cruise on the sales momentum to launch new residential products accessible within the Moka and Savannah regions. • The metro-transit oriented development at Phoenix Mall will transform the Phoenix mall into a mixed-use property thereby generating new revenue streams. • Revamping of the Riche Terre Mall and extension of the Home & Leisure node at Bagatelle Mall.	Operational excellence Customer centricity	Financial Manufactured Intellectual

Served markets	Challenges and their impact	How we respond	Opportunities	Link to Strategic Focus areas	Capitals impacted
Logistics	**J Growing competitive landscape in terms of air, courier and sea freight causing pressure on margins** • Market conditions for logistics, especially sea freight, remained difficult with ongoing capacity constraints and high freight rates. • Increase in level of competition in our served geographies. • Geopolitical risks being the Russia-Ukraine crisis and elections in Kenya will continue to impact demand growth and increase the underlying costs of logistics. **Impact:** Lower import levels in some of the territories in which Velogic operates, such as Mauritius and Kenya.	• Notable pick-up of air freight activities as commercial flights resumed gradually across all our served markets due to the gradual opening of borders. • Promote innovative thinking to deliver strong top and bottom-line growth i.e., through provision of alternative solutions to clients. Risk rating after mitigation Low High	• Take advantage of the continued growth in the freight forwarding and shipping businesses given rise in airfreight and courier volumes. • Invest more in automation of internal processes to gain efficiencies and offer better customer experience.	Operational excellence	Financial Human
Fintech	**K Exogenous and macroeconomic factors hinder growth prospects** • Exposed to the dearth of competencies in the Global Business and Technology due to the exodus of skilled talents to Luxembourg, Malta, and Switzerland in the backdrop of de-listing of Mauritius by the FATF and EU. • Squeeze of household income accentuated by COVID-19 effects (i.e., rising inflation, depreciated Mauritian rupee) is a threat to the growth of the consumer finance segment and recovery of receivables. **Impact:** Reputational damage to the brand, loss of clients and revenue streams in event of non-compliance. Also, exposed to delayed recoveries and write-off of receivables' slate.	• Focus on marketing more value-added offerings in all segments. • Regular training of teams on new legislations and treaties • Consumer finance being reorganised and scaled up in line with growth ambitions. • Review and consolidation of the recovery team in the consumer finance business. Risk rating after mitigation Low High	• Roll-out by Rogers Capital Technology Services of the national fibre in 33 high-density business areas in Mauritius will enable to derive additional market share. • Reorganisation of Rogers Capital Financial Services credit business to unlock potential through strategic partnerships and organic growth.	Operational excellence Customer centricity	Financial Human

Corporate Governance

La Place de Gros Bois offers coworking space and meeting rooms in a setting that blends rich history with contemporary architecture.

BOARD OF **DIRECTORS**

JEAN NOËL HUMBERT

(Born in 1949)

Chairman of the Board of Directors, Independent Non-Executive Director

Appointed as Director (amalgamated Company): January 2019 – *up for re-appointment at the next annual meeting*

Qualifications: Honours Degree in Agriculture

Committee: Chairman of the Corporate Governance Committee

Professional Journey:

- Retired from Eclosia Group in September 2021 where he has previously served for more than 20 years in different managerial and executive positions
- Past Chief Executive Officer of the Mauritius Sugar Syndicate, past Secretary General of the Mauritius Chamber of Agriculture, and past President of the National Productivity & Competitiveness Council

Skills and experience:

- Extensive knowledge and hands-on experience in the development of a sustainable agro-industry in Mauritius
- Vast experience in institutional affairs at high level, more particularly in the fields of agriculture, international trade and in the marketing of sugar
- Closely involved in the sugar sector reform strategy and process
- Fervent advocate of a strong public-private partnership for sustainable national growth
- Strong proponent of good governance, ethics, and good practice in business

HECTOR ESPITALIER-NOËL

(Born in 1958)

Executive Director and CEO of ENL Group

Appointed as Director (amalgamated Company): January 2019

Qualifications: Member of the Institute of Chartered Accountants in England and Wales

Committee: Member of the Corporate Governance Committee

Professional Journey:

- CEO of ENL Limited and of the ENL Group
- Worked for Coopers and Lybrand in London
- Worked for De Chazal du Mée in Mauritius
- Chairman of New Mauritius Hotels Limited and Semaris Ltd
- Past Chairman of the Board of Rogers and Company Limited
- Past chairman of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association, and the Mauritius Sugar Syndicate

Skills and experience:

- Extensive CEO and leadership experience and skills
- Strong financial management and strategic business planning skills
- Significant experience in alliances, ventures, and partnerships
- Staunch advocate for a more open Mauritius
- Advocate for a strong public-private sector partnership for sustainable growth
- Strong proponent of private enterprise and entrepreneurship
- Strongly convinced of the multidimensional role of business

GÉRARD ESPITALIER NOËL, C.S.K., C.O.N.M.

(Born in 1946)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019 – *up for re-appointment at the next annual meeting*

Qualifications: Diplôme de Perfectionnement en Administration des Entreprises (IAE, AIX-MARSEILLE)

Professional Journey:

- Air transportation and tourism professional for 42 years, including 30 years at Air Mauritius in Europe - culminating in 10 years' standing as Regional Director for Europe, UK & Ireland
- Took an active part in the materilization of the Code-Share Agreement between Air Mauritius and Air France
- Appointed in April 2007 as Technical Adviser to the "Conseil National du Tourisme (CNT)" in France
- Worked as Hotels & Leisure Director of Indigo Hotels & Resorts Ltd in Mauritius

Skills and experience:

- Strong knowledge and experience in positioning Mauritius as a destination of choice to live, work and play
- Proven skills at networking and building winning relationships at industry and national levels
- Ability to build and lead winning teams across trade and industry
- Experienced at crisis management
- Strong proponent of ethics and rigour in business

ERIC ESPITALIER-NOËL

(Born in 1959)

Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Bachelor of Social Science, Master of Business Administration

Professional Journey:

- CEO of ENL Commercial Limited
- Executive Director of ENL Limited
- Worked for De Chazal Du Mée & Co, Chartered Accountants

Skills and experience:

- Extensive experience in the commercial and hospitality sectors

VIRGINIE CORNEILLET

(Born in 1972)

Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: "Maîtrise en Droit des Affaires" from the University of Paris V (France)

Committee: Member of the Corporate Governance Committee

Professional Journey:

- Joined ENL in 2010 as Head of Legal and Corporate Affairs and is now Group Head of Governance and Legal Affairs
- Previously Worked at Groupe Mon Loisir (now IBL)
- Started her career at Soulier & Associés, a French law firm based in Paris and Lyons, France
- Board member of the Mauritius Institute of Directors

Skills and experience:

- Extensive experience in mergers and acquisitions, corporate transactions, and corporate governance matters
- Leadership skills with a track record in human resource, legal and communications management
- Strong proponent of future-fitting the group through investments in human capital, technology, and sustainable business initiatives
- Staunch advocate of good governance and diversity at board level

GILBERT ESPITALIER-NOËL

(Born in 1964)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: BSc University of Cape Town, BSc (Hons) Louisiana State University, MBA, INSEAD

Professional Journey:

- CEO of New Mauritius Hotels Limited since 2015
- Past Executive Director of ENL Group and CEO of ENL Property Limited
- Past Operations Director of Eclosia Group
- Past President of the Mauritius Chamber of Commerce and Industry, the Mauritius Chamber of Agriculture, the Joint Economic Council and the Mauritius Sugar Producers Association; past Vice-President of the Mauritius Export Association

Skills and experience:

- In-depth knowledge and extensive experience of operations in ENL's key sectors of activity
- A people's person, skilled at creating high-performing teams
- Strong proponent of entrepreneurship, innovation, and initiative
- Staunch advocate of, and extensive experience in, public-private partnership for economic stewardship
- Sound understanding of the business dynamics in Mauritius

BOARD OF **DIRECTORS**

ROGER ESPITALIER NOËL

(Born in 1954)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019 - *up for re-election at the next annual meeting*

Qualifications: Certificate in Textile and Knitwear Technology

Committees: Member of Audit & Risk Management and Corporate Governance Committees

Professional Journey:

- Former Corporate Sustainability Advisor of CIEL Textile where his activities were focused on the environmental, logistics, utilities as well as the retail aspects of the knits division
- Retired from Floreal Knitwear after serving for more than 36 years in different managerial/ executive positions in Mauritius and Madagascar

Skills and experience:

- Extensive experience in the textile industry (manufacturing & operations, environment) and in sustainability management

JEAN RAYMOND HARDY

(Born in 1957)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Master in Business Administration

Professional Journey:

- Chief Executive Officer until 30 June 2021 and Advisor until 30 June 2022 of ENL Agri Limited
- Worked at management level for Britannia Sugar Estate, Deep River Beau Champ Sugar Estate and Société de Gérance Mon Loisir
- Former President of the Mauritius Chamber of Agriculture and former Board Member of the Sugar Industry Pension Fund Board

Skills and experience:

- More than 35 years' experience in the sugarcane industry
- Actively involved in the centralisation process of sugar factories in the Centre and the South of Mauritius
- Skilled in negotiating difficult market conditions

JEAN-PIERRE MONTOCCHIO

(Born in 1963)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Notary Public

Committee: Member of the Corporate Governance Committee

Professional Journey:

- Appointed Notary Public in Mauritius in 1990
- Contributed to the workings of the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee

Skills and experience:

- Well-versed in corporate governance matters and NED experience across the private and public sectors
- Extensive experience in alliances, ventures, and partnerships
- Strong proponent of fairness in business
- Staunch defendant of shareholder's interests

SIMON-PIERRE REY

(Born in 1952)

Independent Non-Executive Director

Appointed as Director (amalgamated Company): January 2019 – *up for re-appointment at the next annual meeting*

Qualifications: BA (Honours) in Economics and Chartered Accountant (UK)

Committee: Member of the Audit and Risk Management Committee

Professional Journey:

- Retired from IBL Group after 27 years of service
- Occupied the post of Group Finance Director/ Controller, Company Secretary and Chief Operating Officer at Ireland Blyth Limited (now IBL Limited)
- Past Board Member, and Board Committee member, of various IBL companies, namely the Audit and the Corporate Governance Committees
- For period 2014-2019, was a Non-Executive Director, Chairperson of the Conduct Review Committee, member of the Audit Committee and of the Nomination and Remuneration Committee of MCB Ltd

Skills and experience:

- Significant financial management expertise with a commercial track record
- Good governance knowledge with an independent mindset and commitment
- Strong advocate of relationships building
- Proponent of the social role of business

MUSHTAQ OOSMAN

(Born in 1954)

Independent Non-Executive Director

Appointed as Director (amalgamated Company): January 2019 - *up for re-election at the next annual meeting*

Qualifications: Fellow of the Institute of Chartered Accountants in England and Wales

Committee: Chairman of the Audit & Risk Management Committee

Professional Journey:

- Heads OIP Ltd, an insolvency practice he founded in January 2016 after retiring from PwC
- Retired from PwC in November 2015 after 30 years in service
- Former Assurance Partner at PwC and responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius
- Past Member of the Africa Central Governance Board
- Trained and qualified as a Chartered Accountant with Sinclairs in the UK

Skills and experience:

- Well-versed in the workings and responsibilities of a Governance Board
- Professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles, and trading
- Outspoken professional, challenging set business lines and practices with a view to spur improvement

JOHAN PILOT

(Born in 1982)

Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Chartered Accountant from the Institute of Chartered Accountants in England and Wales

Professional Journey:

- Joined ENL in August 2007 and presently the Chief Executive Officer of ENL Property Limited
- Previously worked at PwC Mauritius

Skills and experience:

- More than 10 years of experience in the property developments of ENL group
- Modern leadership skills
- Driven by his vision to be a trend-setter in terms of sustainable urban development
- Strong proponent of the pluri-dimensional role of business

DIRECTORSHIP LISTS:

For full directorship list of the Directors please refer to the Company's website: www.enl.mu/en/investors/information/policies

GROUP
LEADERSHIP

1. **Hector Espitalier-Noël*** Chief Executive Officer of ENL Group
2. **Philippe Espitalier-Noël**** Chief Executive Officer of Rogers and Company Limited
3. **Eric Espitalier-Noël*** Chief Executive Officer of ENL Commercial Limited
4. **Olivier Baissac**** Chief Executive Officer of ENL Agri Limited
5. **Johan Pilot*** Chief Executive Officer of ENL Property Limited
6. **Frederic Tyack**** Chief Executive Officer of Ascencia Limited

7. **Virginie Corneillet*** Group Head of Governance and Legal Affairs
8. **Paul Tsang**** Group Head of Finance
9. **Doriane Denise-Rama**** Group Head of Talent and Culture
10. **Jacques Brousse de Gersigny**** Group Head of Technology and Operational Excellence
11. **Sandra Fayolle**** Head of Business Strategy and Investor Relations
12. **Shyama Soondur**** Head of Communications
13. **Yesha Kasory**** Group Head of Customer Experience and Loyalty

Notes:
*Refer to profile on pages 76 to 79
**Refer to profile on ENL Group's website: www.enl.mu

CORPORATE GOVERNANCE REPORT

ENL Limited ('ENL' or the 'Company') is a public interest entity under the provisions of the Financial Reporting Act.

For ENL, good Corporate Governance is a synonym for sound management, transparency and disclosure. It encompasses good corporate practices, procedures, standards and implicit rules which lead us to take sound decisions that maximise long-term shareholder value without compromising on integrity, social obligations and regulatory compliances.

For ENL, good Corporate Governance is a synonym for sound management, transparency and disclosure.

As a company with a strong sense of values and commitment, ENL believes that profitability goes hand in hand with responsibility towards all stakeholders. As such, we remain committed to creating and positively leveraging shareholders' wealth, and at the same time, to safeguarding the interests of all stakeholders. It is our path to sustainable and profitable existence and growth. This is an integral part of our business philosophy, and it is reflected in our current business plan which guides us to conduct business in such a way as to create a positive net impact on society, the natural environment and on the national economy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure govern our actions at all levels.

This report spells out how we have upheld our guiding philosophy and complied with the Code of Corporate Governance for Mauritius (the 'Code').

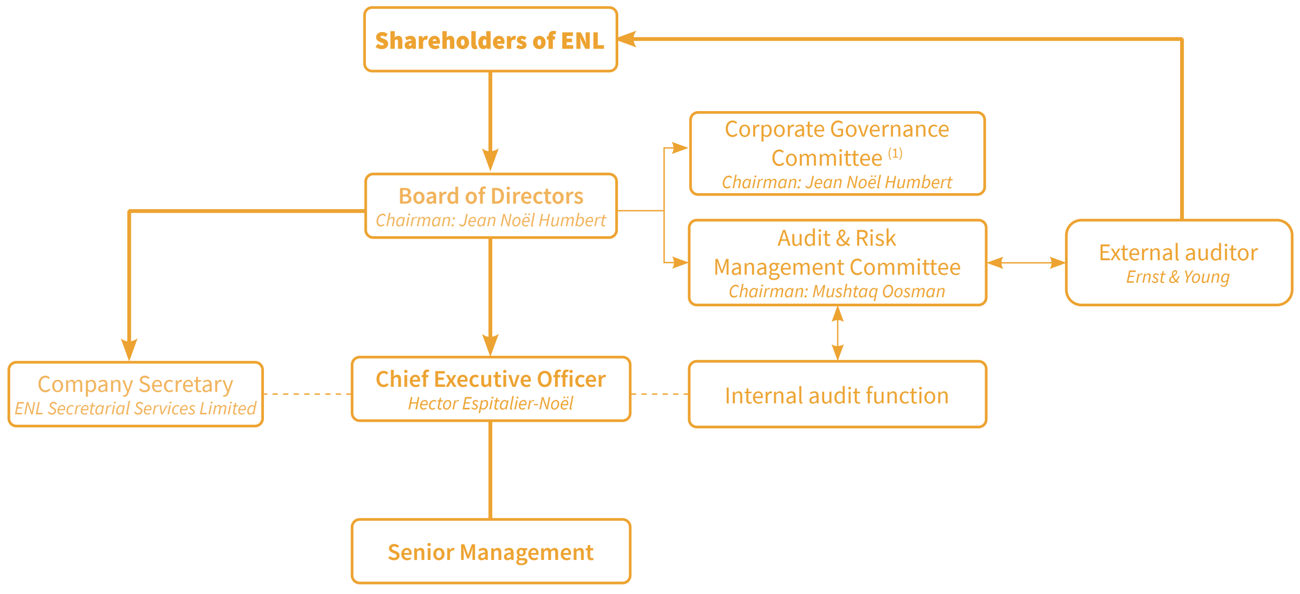
Since the past two years, the works of the Board and its sub-committees have been structured into an annual cycle so that a systematic reporting process is in place. This initiative enables the Board to discharge of its duties more effectively. It ensures the Board stays focused on the most material issues and provides a structure for both the board meeting and the preparation thereof. As a result, the ENL Board of Directors has been able to keep its focus on future-oriented, strategic decisions aimed at ensuring continuous and sustainable value creation.

This report, along with the Annual Report, is published in its entirety on the Company's website: www.enl.mu

1. GOVERNANCE STRUCTURE

The Board of ENL is collectively accountable and responsible for the long-term success of the Company, its reputation and governance. The Board also assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. In line with the Code, the Board has:

- adopted a Board Charter which sets out the objectives, roles and responsibilities and composition of the Board of Directors.
- identified its key Senior Governance positions and the position statements are detailed in ENL's Board Charter.
- adopted a Code of Ethics which includes a whistle-blowing policy.
- approved an Organisational and Governance structure as illustrated below.

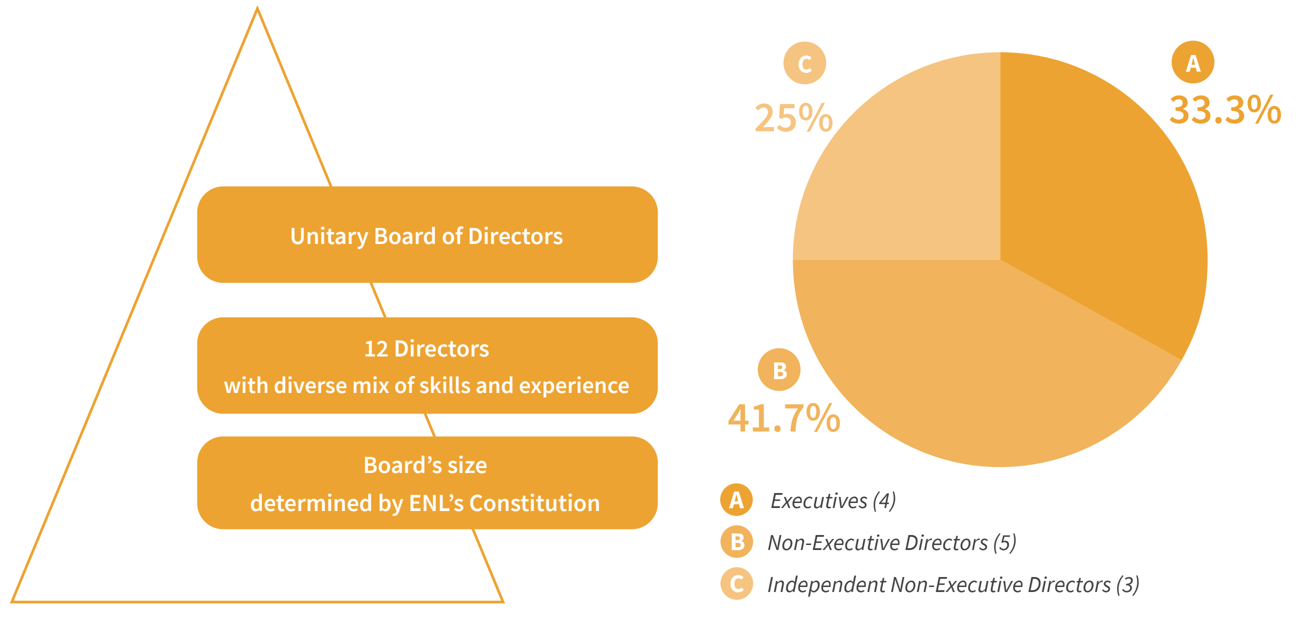


(1). As per its Terms of Reference, in its capacity, the Corporate Governance Committee also acts as Remuneration and Nomination Committee

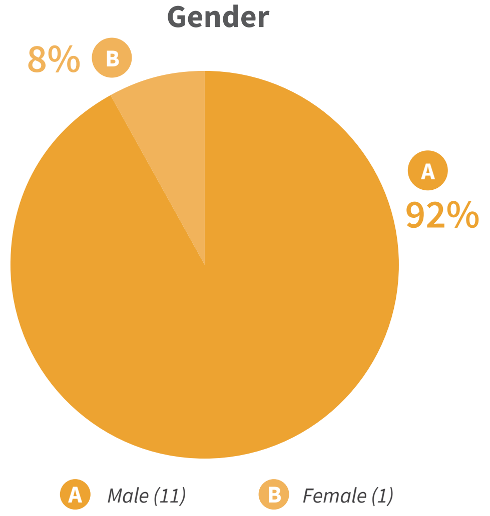
The Board Charter and Code of Ethics are available for consultation on ENL's website: www.enl.mu

2. THE BOARD

2.1 Board Composition



Gender



- All Directors of ENL ordinarily reside in Mauritius.
- ENL's constitution is available for consultation on ENL's website: www.enl.mu
- The names and profiles of ENL's Directors are disclosed on pages 76 to 79 of the Integrated Annual Report.

Directors	Gender	Category	Attendance
Jean Noël Humbert	M	INED, Chairman	5/5
Virginie Corneillet	F	ED	4/5
Eric Espitalier-Noël	M	ED	5/5
Gérard Espitalier Noël	M	NED	4/5
Gilbert Espitalier-Noël	M	NED	5/5
Hector Espitalier-Noël	M	ED	5/5
Roger Espitalier Noël	M	NED	3/5
Jean Raymond Hardy	M	NED	4/5
Jean-Pierre Montocchio	M	NED	5/5
Mushtaq Oosman	M	INED	5/5
Johan Pilot	M	ED	5/5
Simon-Pierre Rey	M	INED	5/5

ED - Executive Director

NED - Non-Executive Director

INED - Independent Non-Executive Director

5 Meetings

2.2 Focus areas of the Board FY 2021/22

The work of the Board is structured into an annual cycle so that a systematic reporting process is in place. During the year under review, the areas of focus of the Board were as follows:

FINANCIALS	• Approved press releases following delays in publication of financial reports. • Approved the audited financial statements/Annual Report of ENL for the year ended 30 June 2021. • Approved the unaudited quarterly consolidated results of ENL for publication purposes.
STRATEGY & FINANCE	• Reviewed the performance of the group against business plans as reported by the CEO. • Reviewed and approved financing facilities and assets given as security/guarantee to financial institutions. • Approved investments/expenditures on information technology for year 2021/22. • Approved investments in subsidiaries and associates. • Approved sale of land at Gros Bois and L'Avenir and land exchange. • Declared a total dividend of Rs 0.80 per Ordinary A share for the year ended 30 June 2022. • Refined the unclaimed dividends process. • Received a comprehensive report of real estate projects being carried out by ENL Property group. • Approved investments in renewable energy sector.
GOVERNANCE, COMPLIANCE AND RISK	• Prepared and convened the meetings of shareholders. • Recommended to the shareholders the appointment of Ernst & Young as auditors of the Company for the year ended 30 June 2022. • Adopted a Framework for sharing of personal data within ENL Group. • Adopted a Customer Data Governance Policy Framework. • Approved the revised Charters of the ARMC and CGC. • Appointed new Money Laundering Reporting Officer/Compliance Officer.
STANDING AGENDA ITEMS	• Received reports on follow up matters from previous minutes. • Received disclosures of interests from Directors as and when applicable. • Received reports from the Chief Executive Officer. • Received the reports/recommendations of the ARMC and CGC.

2.3 Board Committees

- The Board has delegated some of its powers and responsibilities to two Committees, namely:
  - Corporate Governance Committee ("CGC") which also acts as a Remuneration and Nomination Committee; and
  - Audit and Risk Management Committee ("ARMC").
- The Chairman of each committee regularly reports proceedings of the Committees to the Board. The Board of Directors has access to all Committee meetings and records.
- Each committee has its own charter which sets out, **inter alia**, its membership requirements, meeting proceedings, roles and responsibilities.
- The charters of the CGC and ARMC are reviewed annually by the Committees and any proposed amendments are recommended to the Board for approval. The charters are available for consultation on ENL's website: www.enl.mu

2.3.1 Audit and Risk Management Committee

ARMC Members	Category	Attendance
Mushtaq Oosman	Independent Non-Executive Director, Chairman	6/6
Simon-Pierre Rey	Independent Non-Executive Director	6/6
Roger Espitalier Noël	Non-Executive Director	4/6

The ARMC meets twice every quarter.

The work of the ARMC is structured into an annual cycle so that a systematic reporting process is in place.

Outside of formal meetings, Chairman of the ARMC maintains dialogue with key individuals involved in the Company's governance, namely the Chairman of the Board, the Chief Executive Officer and the external audit lead partner.

The Chief Financial Officer, Head of Internal Audit, the external auditors and executives having to report on specific agenda items are invited to meetings on an adhoc basis.

The effectiveness of the external audit function is reviewed by the ARMC on an ongoing basis through the review and discussion of reports presented to it. The ARMC assesses the independence of the external audit function and is satisfied of its independence.

6 Meetings

Focus areas of the ARMC during FY 2021/22

FINANCIAL STATEMENTS & REPORTING RESPONSIBILITIES

- Reviewed and recommended to the Board the approval of:
  - the audited financial statements, risk management disclosures of the Annual Report and publication of the audited abridged financial statements for the year ended 30 June 2021;
  - the publication of the unaudited quarterly consolidated results of the Company.
- Received the external auditors' report of the audited financial statements of ENL for the year ended 30 June 2021.

INTERNAL & EXTERNAL AUDIT MATTERS

- Recommended the appointment of Ernst & Young as auditors and audit fee proposal for the year ended 30 June 2022.
- Received the external audit plan of Ernst & Young for the financial year ending 30 June 2022.
- Examined reports issued by the internal audit function following assignments conducted in accordance with the internal audit plan and monitored the implementation of proposed corrective action plans relating to subsidiaries.
- Reviewed and approved the internal audit plan for the year ending 30 June 2023.

INTERNAL CONTROLS & RISK MANAGEMENT

- Reviewed the effectiveness of the internal control and risk management systems.
- Examined reports issued by the Risk Management function.
- Analysed reports issued by the Health & Safety Manager in respect of compliance of ENL group to the Occupational Safety & Health Act 2005.
- Reviewed the insurance portfolio of ENL.
- Took cognisance of the main on-going litigation cases of ENL Group.

GOVERNANCE & COMPLIANCE

- Monitored the ICT Governance/Cyber Security frameworks.
- Reviewed the ARMC charter.
- Received the report of the Data Protection Officer.
- Monitored transactions in accordance with the Related Party Transaction policy of ENL.
- Received the report of the Money Laundering Reporting Officer/Compliance Officer.

2.3.2 Corporate Governance Committee

CGC Members	Category	Attendance
Jean Noël Humbert	Independent Non-Executive Director, Chairman	3/3
Virginie Corneillet	Executive Director	3/3
Hector Espitalier-Noël	Executive Director	3/3
Roger Espitalier Noël	Non-Executive Director	3/3
Jean-Pierre Montocchio	Non-Executive Director	3/3

3 Meetings

Focus areas of the CGC during FY 2021/22

NOMINATION & REMUNERATION

- Reviewed the remuneration package of Senior Executives of ENL.
- Revisited the remuneration of the Directors of ENL.

CORPORATE GOVERNANCE

- Reviewed the Corporate Governance Report of ENL for the year ended 30 June 2021.
- Recommended the re-election/re-appointment of Messrs Gérard Espitalier Noël, Jean Noël Humbert, Roger Espitalier- Noël and Jean Pierre Montocchio as Directors of the Company.
- Reviewed the CGC charter.
- Monitored ENL's compliance with its Code of Ethics.
- Reviewed and approved the questionnaire for the board evaluation exercise.

2.4 Directors Appointment Procedures

2.4.1 Appointment and re-election

- The re-appointment of Messrs Gérard Espitalier Noël, Jean Noël Humbert and Simon-Pierre Rey, who are over 70 years old, as Directors of the Company.
- The appointment process is delegated to the CGC which recommends to the Board the Directors to be appointed and/or re-elected as morefully detailed in ENL's Board Charter.
- In accordance with the Company's Constitution, at each Annual Meeting of the Company, one-third of the independent and non-executive Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not exceeding one third, shall retire from office and shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- Re-election of Directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.
- Upon recommendation of the CGC, the following Directors will be proposed to the shareholders for approval at the forthcoming annual meeting:
  - (i) The re-appointment of Messrs. Mushtaq Oosman and Roger Espitalier Noël as Directors of the Company in accordance with Section 21.6 of the Company's constitution.
  - (ii) The re-election of Messrs Gérard Espitalier Noël, Jean Noël Humbert and Simon-Pierre Rey, who are over 70 years old, as Directors of the Company.
- The Chairman confirms that Messrs. Mushtaq Oosman, Roger Espitalier Noël, Gérard Espitalier Noël and Simon-Pierre Rey continue to be performing and remain committed to their role as Directors of the Company.
- The members of the CGC confirm that Mr Jean Noël Humbert continues to be performing and remains committed to his role as a Director of the Company.

2.4.2 Board Induction

Board Induction

Upon joining the Board, new Directors benefit from an induction programme aimed at deepening their understanding of the businesses, environment and markets in which the Group operates.

As part of the induction programme, they receive a comprehensive induction pack from the Company Secretary which contains essential Board and Company information, meet the Company's key executives and have a briefing session with the Chief Executive Officer.

During the year under review, there has been no change in the composition of the Board.

2.4.3 Professional Development and Training

- Directors are encouraged to keep themselves abreast of changes and trends in the Company's businesses, environment and markets.
- The Board regularly assesses the development needs of its Directors and the Board as a whole.
- It facilitates attendance to appropriate training programs so that Directors can continuously update their skills and knowledge.
- During the year under review, Directors attended trainings on Data Privacy, Cybersecurity and Anti-Money Laundering/Combatting Financing of Terrorism.

2.4.4 Succession Planning

- Succession planning is a standing item on the CGC's agenda.
- The CGC recommends plans for succession of Directors and senior management.
- The Board regularly reviews its composition, structure and succession plans.

2.5 Directors' Duties, Remuneration and Performance

2.5.1 Directors' Interests, Dealings in Securities and Related Party Transactions

- The Board, in relation to dealing in the Company's listed securities, comply with the provisions of the Model Code for Securities Transactions ("Model code") by directors of listed companies as detailed in Appendix 6 of the Listing Rules of the SEM and the Companies Act 2001.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the Model code.
- ENL's Board Charter also contains policies on Related Party Transactions and Conflicts of Interests.
- Directors who are interested in a transaction or proposed transaction with the Company, disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interests is a standing item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.
- All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in ENL.
- As at 30 June 2022, Directors' interests in shares of ENL carrying voting rights were as follows:

	DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%
Virginie Corneillet	22,058	0.002	-	-
Eric Espitalier-Noël	1,070,618	0.100	101,094,496	9.471
Gérard Espitalier Noël	907,528	0.085	8,939,073	0.837
Gilbert Espitalier-Noël	346,049	0.032	98,865,041	9.262
Hector Espitalier-Noël	1,546,803	0.145	104,587,448	9.798
Roger Espitalier Noël	-	-	13,729,114	1.286
Jean-Raymond Hardy	28,133	0.003	70,520	0.007
Jean Noël Humbert	-	-	-	-
Jean-Pierre Montocchio	51,598	0.005	995,273	0.093
Mushtaq Oosman	-	-	-	-
Johan Pilot	180,300	0.017	-	-
Simon Pierre Rey	-	-	-	-

- During the financial year under review, the following Directors have traded in the Ordinary A shares of ENL:

Directors	No. of Shares Acquired	No. of Shares Disposed
Gilbert Espitalier-Noël	650,930*	-
Hector Espitalier-Noël	436,682*	436,682
Jean-Pierre Montocchio	650,930*	-
Johan Pilot	25,000	24,300

**indirectly through associates*

- Note 42 of the financial statements for the year ended 30 June 2022, set out on page 244 of the Annual Report 2022, details all the related party transactions between the Company or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder.
- Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the Listing Rules of the SEM.

2.5.2 Information, Information Technology and Information Security Governance

ENL has an information, information technology and information security policy and framework. The ARMC and ultimately, the Board have oversight over the objectives and strategy deployment in terms of information technology and security governance.

The information technology and security policy, as well as the cybersecurity framework, are available for consultation on ENL's website: www.enl.mu

For more information on the group's response to technology risks, please refer to pages 66 to 67 of the Annual Report.

2.5.3 Legal Duties & Access to information

- The Directors are aware of their legal duties.
- During the discharge of their duties, they are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company.
- Directors are also entitled to have access, at all reasonable times, to all relevant company information and to the Management, if useful, to perform their duties.
- A Directors' and Officers' Liability Insurance policy has been subscribed to by ENL. The said policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.
- The Board has delegated to the CGC its duty to regularly monitor and ensure compliance with the Code of Ethics.

2.5.4 Remuneration Policy

- In accordance with ENL's constitution, fees are paid to the Directors for holding office.
- The underlying philosophy is to set remuneration at appropriate level to attract, retain and motivate high calibre persons and reward in alignment with their individual as well as joint contribution towards the achievement of the company's objective and performance, whilst taking into account the current market conditions and Company's financial position. The Directors are remunerated for their knowledge, experience, and insight given to the Board and Committees.
- The Board of Directors has approved an annual fee for the Directors. They are paid an extra fee as members of Board Committees and as Chair of Board Committees. The Chairperson of the Board is paid a special level of fees appropriate to his office. Particulars of Directors' remuneration are entered into the interests register of the Company.
- Any Director who is in full-time employment of ENL does not receive any additional remuneration for sitting on the Board of Directors. Any remuneration perceived by an employee of ENL group in respect of his sitting on the Board of Directors of any company is deducted from his yearly remuneration.
- None of the non-executive directors are entitled to remuneration in the form of share options or bonuses associated with the Company's performance.
- The table hereunder lays out the fee structure of the Company for the year ended 30 June 2022:

Category of Member	Board	ARMC	CGC
Company Chairman	Rs 500,000	Rs 200,000	Rs 100,000
Board member	Rs 300,000	Rs 100,000	Rs 50,000

- In July 2022, the Board of Directors has approved an increase in the annual fee for the Directors as detailed below:

Category of Member	Board	ARMC	CGC
Company Chairman	Rs 750,000	Rs 350,000	Rs 150,000
Board member	Rs 350,000	Rs 200,000	Rs 100,000

2.5.5 Remuneration and Benefits

- For the year under review, the actual remuneration and benefits perceived by the Directors are as per below:

Category	Directors	Company	Subsidiary companies	Companies on which Director serves as representative of the Company
		Rs	Rs	Rs
Executive	Virginie Corneillet	350,000	8,572,292	-
	Eric Espitalier-Noël	300,000	13,528,779	1,084,250
	Hector Espitalier-Noël	21,169,386	780,250	1,102,000
	Johan Pilot	300,000	14,771,315	-
Non-Executive	Gérard Espitalier Noël	300,000	-	-
	Gilbert Espitalier-Noël	300,000	540,000	-
	Roger Espitalier Noël	450,000	160,000	-
	Jean Raymond Hardy	300,000	9,332,400	-
	Jean-Pierre Montocchio	350,000	930,000	-
Independent Non-Executive	Jean Noël Humbert	600,000	-	-
	Mushtaq Oosman	500,000	-	-
	Simon-Pierre Rey	400,000	75,000	-

2.5.6 Board Evaluation

- In line with its Charter, every two years, the Directors critically evaluate the performance of the Board and of the Committees, as well as their respective processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role.
- A board evaluation has been carried out during the last quarter of the financial year. An internal evaluation of the Board, its Committees and Directors was undertaken. The evaluation focused on governance, digitalisation and self- evaluation.

The Board evaluation process

The 2022 process was undertaken in three stages as outlined in the diagram below:

Directors were issued an online questionnaire, prepared by the Company Secretary designed to elicit the views, opinions ans recommendations of the Directors

One-to-one meetings between the Chairman and Non-Executive Directors followed.

The Company Secretary compiled the feedback and ratings received in a report.

The Company Secretary met with the Chairman to discusss the findings and recommendations.

The CGC and Board considered the findings of the board evaluation and recommendations.

The Chaiman in conjunction with the Company Secretary developed an action plan to improve the effectiveness of the Board based on feedback received.

The findings concluded that the Board and its Committees are operating effectively, and that Directors continue to fulfil their roles as required. Main areas for improvement identified following the board evaluation exercise were:

- Setting up of a Board Matrix to determine the Board's profile for succession planning purposes; and
- Training of Directors in digitalisation/ICT/cybersecurity matters.

3. RISK GOVERNANCE

The activities of the risk management processes of ENL are explained on pages 62 to 73 of the Annual Report.

4. INTERNAL CONTROL

The Board is responsible for the system of internal control and risk management of ENL and its subsidiaries. The Board is committed to continuously maintain adequate control procedures with a view to safeguard the assets and reputation of ENL. Areas with high residual risks are continuously assessed and reviewed with the assistance of the internal audit department.

Management is accountable to the Board for the design, implementation and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the lines of defence: (i) the management of performance of each subsidiary, (ii) the processes and framework for risk management and (iii) the internal audit function in accordance with their risk-based internal audit plan.

The Audit and Risk Management Committee monitors the effectiveness of our risk management and internal control systems, and reports back to the Board. This includes:

- Keeping under review the adequacy and effectiveness of the Group's systems of internal control, including financial controls and business risk management systems;
- Reviewing and approving the statements to be included in the annual report concerning internal controls and risk management;
- Reviewing executive management reports detailing the adequacy and overall effectiveness of the Group's risk management function and its implementation by management;

- Reviewing, together with the Group's legal advisor, any legal matters that could have a significant impact on the Group's business, reviewing the risk philosophy, strategy and policies recommended by the executive management and considering reports by the executive management, ensuring compliance with such policies, and with the overall risk profile of the company;
- Reviewing the adequacy of insurance coverage;
- Reviewing risk identification and measurement methodologies;
- Monitoring procedures to deal with and reviewing the disclosure of information to clients; and
- Reporting, considering and taking appropriate action of the risk exposure of the organisation in at least the following areas of risk: Strategic, Financial, Operational, Compliance.

In the design of the internal control system, entities are encouraged to have the right level of internal controls whereby the costs and time involved in operating these controls is balanced against the nature and significance of the risks they mitigate.

The Board also recognises that any system of internal control is designed to understand and manage rather than eliminate the risk and can only provide reasonable and not absolute assurance against material misstatement or loss.

5. INTERNAL AUDIT

5.1 Internal Audit

The ENL Group's internal audit function operates under a co-sourcing agreement with PricewaterhouseCoopers Ltd and reports directly to the ARMC of ENL.

As part of the Group's commitment to maintaining and strengthening best practices in corporate governance, ENL consistently seeks to enhance its internal control environment and risk management capabilities. The role of the internal audit function, governed by the Internal Audit Charter, is to enhance and protect value by providing objective assurance, advice, and insight on the effectiveness of the control environment of the Group.

The ARMC approves and monitors the internal audit plan each year, which focuses on the high risks of the Group. The plan is determined by a risk-based approach in close collaboration with the group's risk management function.

The internal audit function prepares audit reports and recommendations after which follow-ups are performed to ensure that recommendations are implemented. These reports are presented to the ARMC each quarter including the status of management's implementation of recommendations. For any significant issues that cannot wait till the next ARMC, the Head of Internal Audit contacts the Chairman of the ARMC immediately.

Areas covered by the internal audit function in the financial year:

Entity	Area of review
Axess	Sales: Spare parts
	Stock: Periscope
	Debtors
	Data protection
	Pre-owned vehicles
Enatt	Data privacy
ENL Agri	Nursery: Production to sales
	Cane operations
ENL Property	Data protection
	Project development
	Microsoft Dynamics
Ensport	Stock
ESP Landscapers	Tendering and maintenance contracts
Field Good Fresh Foods	Procurement
Grewals	Sales
JMD	Stock
Nabridas	Human resource
	Sales
Oficea	Les Fascines
Plastinax	Payroll
	Stock
Superdist	Debtors
Synergy	Process review
Tagada	Data protection

5.2 Internal auditor effectiveness and independence

The ARMC reviews the effectiveness of the internal audit function on an ongoing basis. This is achieved, in part, by reviewing and discussing the reports presented to it at each meeting and setting out the function's work and findings.

The ARMC assesses the independence of the internal audit function and is satisfied of its independence.

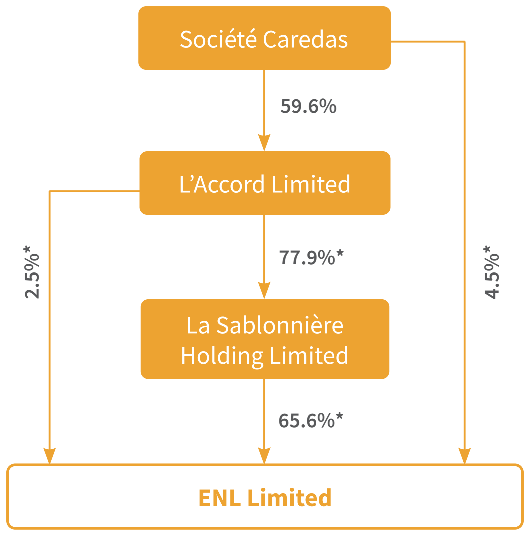
There have been no restrictions placed over the right of access by internal audit to relevant records, management or employees.

Members of the internal audit team are, or are in the process of becoming, qualified accountants and Certified Internal Auditors. Information on the composition and qualifications of the Internal Audit team is detailed on the website: www. enl.mu

6. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

6.1 Holding Structure

- The holding company of ENL is L'Accord Limited, a limited-liability public company while the ultimate control of the Company remains with Société Caredas, a société civile.
- The Company's holding structure as at 30 June 2022 was as follows:
  (The % disclosed relates to voting rights)



** Effective voting rights*

6.2 Shareholding profile

- ENL Limited's Ordinary A Shares are listed on the Official List of the Stock Exchange of Mauritius Limited ("SEM") and the Company is governed by the Listing Rules of the SEM.
- As at 30 June 2022, the share capital of ENL Limited is composed of 374,996,326 Ordinary A Shares and 700,000,000 Restricted Redeemable Shares ("RRS") of no par value.
- As at 30 June 2022, the shareholder holding more than 5% of the voting rights in the shares of the Company and qualifying as a substantial shareholder was as follows:

	%
La Sablonnière Holding Limited	65.6

6.2.1 Distribution of shareholders at 30 June 2022

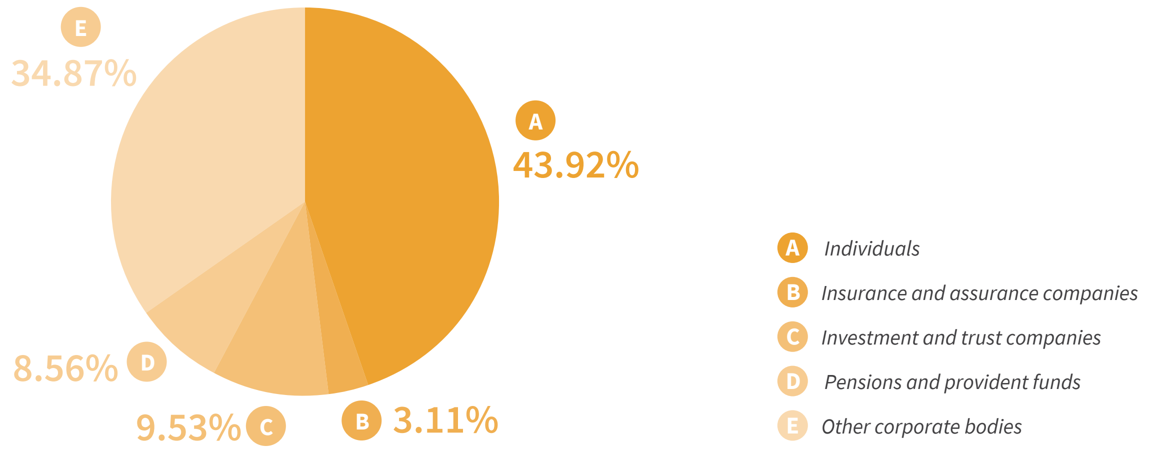
- La Sablonnière Holding Limited holds 100% of the RRS.
- Ordinary A Shares:

Spread	Number of shares held
1 - 500 shares	177,191
501 - 1,000 shares	297,734
1,001 - 5,000 shares	2,406,030
5,001 - 10,000 shares	2,439,029
10,001 - 50,000 shares	18,599,540
50,001 - 100,000 shares	14,832,975
100,001 - 250,000 shares	32,886,826
250,001 - 500,000 shares	25,686,994
>= 500,001 shares	277,670,007
Total	**374,996,326**

6.2.2 Spread of shareholders

To the best knowledge of the Directors, the spread of Ordinary A Shareholders at 30 June 2022 was as follows:

Spread of Ordinary A shareholders as at 30 June 2022



6.3 Contract between the Company and its substantial shareholder

- The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such contract for the year under review.

6.4 Third Party Agreements

The group has the following management agreement with third parties:

- ENL Commercial has a management contract with Superdist Limited for the provision of management services.
- A development management agreement with Dolphin Coast Marina Estate Ltd for managing the development of an IRS at La Balise. The contract is discharged by ENL Property.
- A contract with FRCI group for the provision of secretarial services.
- A contract with New Mauritius Hotels Limited for the provision of secretarial services.
- A contract with New Mauritius Hotels Limited for the provision of insurance consultancy services.
- ENL Agri Limited has a management agreement with Circonstance Estate Ltd for the management of the agricultural operations, buildings and land assets of Circonstance Estate Ltd.

6.5 Relations with shareholders and other key stakeholders

6.5.1 Key stakeholders

- The company is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner.
- ENL's key stakeholders and the way it has responded to their expectations are described in the engagement with stakeholders' section from pages 24 to 33 of the Annual Report.

6.5.2 Shareholders' relations and communications

- The Board of Directors places great importance on open and transparent communication with its shareholders. The company communicates to its shareholders through its Annual Report, circulars issued in compliance with the Listing Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declaration and the Annual Meeting of shareholders.
- In compliance with the Companies Act 2001, shareholders are invited to ENL's shareholders' meetings where they can raise and discuss matters relating to the Company with the Board.
- The website (www.enl.mu), includes an investors' section which provides timely information to stakeholders. Interim and audited financial statements, press releases and so forth are readily accessible from there.
- Analyst meetings, at which analysts are invited to interact with management, are organised periodically.
- The company's share price movement is available on our website: www.enl.mu/investors

6.5.3 Shareholders' calendar

September 2022	Publication of abridged audited financial statements for the year ended 30 June 2022
November 2022	Issue of Annual Report 2022
	Publication of 1st Quarter results to 30 September 2022
	Eventual declaration of interim dividends
December 2022	Meeting of shareholders
February 2023	Publication of half-year results to 31 December 2022
May 2023	Publication of 3rd Quarter results to 31 March 2023
	Eventual declaration of final dividends

6.5.4 Shareholders' agreement affecting the governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

6.5.5 Dividend

The Company has no formal dividend policy. Payment of dividends is subject to the profitability of the Company, cash flow, working capital and capital-expenditure requirements.

7. COMPANY SECRETARY

- ENL Secretarial Services Limited provides corporate secretarial services to ENL Limited.
- All Directors, particularly the Chairman, have access to the advice and services of the Company Secretary, delegated by ENL Secretarial Services Limited, for the purposes of the Board's affairs and the business.
- The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

8. EXTERNAL AUDIT

- In 2021, ENL had approached the main audit firms regarding their willingness and availability to onboard ENL as their client for the financial year ended 30 June 2021.
- Upon recommendation of the Board of Directors, Messrs. Ernst & Young were then appointed as external auditors of ENL at the shareholders' meeting held in May 2021.
- Messrs. Ernst & Young have been re-appointed as external auditors of ENL for the financial year ended 30 June 2022 at the shareholders' meeting held in March 2022.
- During the year under review, Ernst & Young also provided tax services to ENL Group.

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary
30 September 2022

BOARD OF DIRECTORS' STATEMENTS

1. OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

Activities

The activities of ENL group are disclosed on pages 44 to 61 of the Annual Report 2022.

Directors

A list of the Directors of the Company and its subsidiaries is given on pages 102 to 117 of the Annual Report 2022.

Directors' Service Contracts

None of the Directors of the Company and of the subsidiaries have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Contracts of Significance

During the year under review, there was no contract of significance to which ENL Limited, or one of its subsidiaries, was a party and in which a Director of ENL Limited was materially interested either directly or indirectly.

Directors' remuneration and benefits

Total remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries were as follows:

	From the Company		From the Subsidiaries	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Executive				
Full-time	21,169	13,126	780	865
Part-time	950	1,250	35,194	40,292
Non-executive	3,200	2,900	11,038	1,534
Post-employment benefits – Executive Directors	-	-	1,678	3,077
	25,319	17,276	48,690	45,768

Directors' Interests in Shares

(i) The interests of the Directors in the shares of ENL Limited as at 30 June 2022 are found on pages 88 to 89 of the Annual Report.

(ii) As at 30 June 2022, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the Company:

	Ascencia Ltd		Rogers and Company Limited	
	No. of shares	%	No. of shares	%
Virginie Corneillet	2,000	0.0004	1,900	0.0008
Eric Espitalier-Noël	-	-	42,249	0.0168
Gilbert Espitalier-Noël	-	-	60,571	0.0240
Hector Espitalier-Noël	-	-	44,948	0.0178
Jean-Raymond Hardy	-	-	17,000	0.0067
Jean-Pierre Montocchio	-	-	9,733	0.0039

Interests of senior officers (excluding directors) in the shares of ENL Limited carrying voting rights

As at 30 June 2022, none of the senior officers (excluding directors), except for those detailed below, held any direct or indirect interests in the shares of the Company carrying voting rights:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Philippe Espitalier-Noël	897,065	0.084	83,619,131	7.834
Doriane Denise-Rama	700	0.0001	-	-

Shareholders

At 30 August 2022, the following shareholders were directly or indirectly interested in more than 5% in the shares of the Company carrying voting rights:

Name of shareholders	Interest (%)
La Sablonnière Holding Limited	65.6

Donations

	Group		Company	
	2022	2021	2022	2021
Donations made during the year:				
Political (Rs'000)	-	-	-	-
Others (Rs'000)	779	1,036	772	922
Corporate Social Responsibility (Rs'000)				
• Statutory	10,532	13,381	-	-
• Voluntary	11,058	8,019	4,679	4,546

Auditors' Remuneration

	Group		Company	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Audit fees paid to:				
Ernst & Young	35,872	23,748	5,500	4,000
Other firms	23,974	21,297	-	-
Fees paid for the other services provided by:				
Ernst & Young	745	701	70	-
Other firms	20,048	20,900	-	-

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect of Financial Statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether international financial reporting standards have been followed and complied with;
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the company will continue in business; and
- ensure that the Code of Corporate Governance (the "Code") has been adhered to and where any material deviation from any guidance contained within the Code has occurred, explanations have been provided accordingly.

The Directors confirm that they have complied with the above requirements in preparing the Company's financial statements.

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the financial statements comply with The Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is responsible for the system of internal control and risk management for the Company and its subsidiaries. The Board is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the group. The Board, through the Audit and Risk Management Committee, affirms that it has monitored the key strategic, financial, operational, people, systems risks and control in line with the current business environment.

The Board believes that the group's systems of Internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the group and the Company.

3. STATEMENT OF COMPLIANCE TO CODE

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

Name of Public Interest Entity ('PIE'): ENL Limited

Reporting Period: 1 July 2021 to 30 June 2022

We, the Directors of ENL Limited, confirm to the best of our knowledge that the PIE has fully complied with the principles of the Code of Corporate Governance.

Jean Noël Humbert
Chairman

Hector Espitalier-Noël
Director

30 September 2022

Company **Secretary's Certificate**

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

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under The Companies Act 2001.

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

30 September 2022

ENL believes that profitability goes hand in hand with responsibility towards all stakeholders.

List of Directors of the Company
and its Subsidiaries

Company	Abraham Bertrand Denis	Adam Marie Marc Guy	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dandes	Andre Emmanuel René	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy
Adnarev Ltd																																				
Agria Limited																																				
Agrex Limited											✓																									
Ario Seychelles Ltd																																				
Ascencia Limited																			✓		✓				R											
Associated Container Services Limited																																				
Axess Limited																																				
Bagaprop Limited																					R															
Bagatelle Hotel Operations Company Limited																																				
Beavia Kenya Limited (Dormant)																																				
Bluesky Mayotte SARL																																				
Bluesky Madagascar SARL									✓																											
BlueAlizé Ltd							R															✓														
BS Travel Management Limitada																																				
BS Travel Management Ltd																																				
Cap D'abondance Ltd																																				
Cargo Express Madagascar S.A.R.L.																																				
Case Noyale Limitée																																				
CCC LAH Limited																																				
Commercial Investment Property Fund Limited																																			✓	
Croisières Australes Ltée																																				
DOMC Ltd																																				
Courchamps Development Limited																											✓	✓								
Courchamps Properties Limited																											✓	✓								
Ecoasis Energy Solutions Ltd																												A								
Ecoasis Mechanical Works Ltd																												A								
Ecoasis Technical Services Ltd																												A								
Emblem Paints Limited																																				
EnAtt Ltd																																				
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ENL Foundation																																				
ENL Limited																																			✓	
ENL Property Limited																																				
ENL Rê Limited																												A								
ENL Secretarial Services Limited																																				

Company	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angelique Anne	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey	Doger de Spéville Alban Ulrich	Doger de Speville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H.W. Anthony	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier-Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe	Espitalier Noël Marie Patrick Roger	Espitalier Noël H.J.Thierry	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre
Adnarev Ltd																		✓								
Agria Limited																		✓		✓		✓				
Agrex Limited									✓									✓		✓						
Ario Seychelles Ltd																										✓
Ascencia Limited																				✓		✓				
Associated Container Services Limited			✓																							
Axess Limited															✓			✓		✓						
Bagaprop Limited																						R				
Bagatelle Hotel Operations Company Limited																						✓				
Beavia Kenya Limited (Dormant)	✓																									✓
Bluesky Mayotte SARL																										✓
Bluesky Madagascar SARL																										✓
BlueAlizé Ltd																						✓				
BS Travel Management Limitada																										✓
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CCC LAH Limited																										
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ENL Corporate Ventures Limited																			✓	✓						
ENL Foundation																		✓		✓						
ENL Limited																		✓	✓	✓	✓		✓			
ENL Property Limited																		✓	✓	✓			✓			
ENL Rê Limited																				A						
ENL Secretarial Services Limited																		✓		✓						

Company	Fayolle Sandra Hélène	Galea Marie Henri Dominique	Garrioch Anthony Gérard	Guillot-Sestier Celine Marie	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh	Hugnin Thierry	Humbert Noël Jean	Hung Han Yun Denis	Hurkoo Dev Harish	Israel Marc
Adnarev Ltd																			✓						
Agria Limited														✓		✓									
Agrex Limited													✓												
Ario Seychelles Ltd																									
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Associated Container Services Limited																									
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Bagaprop Limited																									
Bagatelle Hotel Operations Company Limited																									
Beavia Kenya Limited (Dormant)																									
Bluesky Mayotte SARL																									
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BlueAlizé Ltd																									
BS Travel Management Limitada																									
BS Travel Management Ltd																									
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Cargo Express Madagascar S.A.R.L.																									
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CCC LAH Limited																									
Commercial Investment Property Fund Limited																									
Croisières Australes Ltée																									
DOMC Ltd																									
Courchamps Development Limited																									
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ENL Corporate Ventures Limited																									
ENL Foundation													✓												
ENL Limited													✓									✓			
ENL Property Limited													✓												
ENL Rê Limited																									
ENL Secretarial Services Limited																									

Company	Abraham Bertrand Denis	Adam Marie Marc Guy	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dandes	Andre Emmanuel René	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy
Enterprise Information Systems Ltd (Dormant)																																				
Enquickfix Limited																																				
Ensport Limited																																				
EnVolt Limited																												✓								
ESP Cleaning Limited											✓																									
ESP Landscapers Ltd											✓																									
Estate Property Solutions Ltd																				✓																
Express Logistics Solutions Ltd	✓																																			
Field Good Fresh Foods Limited											✓																									
Floreal Commercial Centre Limited																																				
Foresite Property Holding Ltd																																				
Floreal Limited																																				
Freeport Operations (Mauritius) Ltd	✓																																			
Freight Link Limited																																				
General Cargo Services Limited (Kenya)															✓																					
Gencargo (Transport) Limited (Kenya)															✓																					
Globefin Corporate Services Ltd																																				
Globefin Nominees Ltd																																				
Global Air Cargo Services Ltd																																				
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Heritage Events Company Ltd																																				✓
Heritage Golf Management Ltd																																				✓
Hotel Operations Company Ltd																																				
Gros Bois Development Limited																											✓	✓								
IslandHolidays Ltd															A																					
Island Living Ltd																																				A
La Place du Village Limited																											✓	✓								
Joinery and Metal Distribution International Limited																																				
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Plastinax Austral Limited																																				
Rennel Limited																																				

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Foresite Property Holding Ltd																						✓																													
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Grewals (Mauritius) Limited																		✓					✓															✓													
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Hotel Operations Company Ltd																						✓																													
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La Place du Village Limited																																																			
Joinery and Metal Distribution International Limited							✓											✓																																	
Les Villas De Bel Ombre Ltee			✓	✓														✓				✓																				✓									
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Moka Smart City Management Limited																																																			
Mon Désert Alma Sugar Milling Company Limited																		✓		✓																			✓												
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Plastinax Austral Limited																		✓		✓			✓																												
Rennel Limited							✓											✓																																	

	Abraham Bertrand Denis	Adam Marie Marc Guy	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dandes	Andre Emmanuel René	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Cassam Raficq
Restaurant Operations company Ltd																													
River Court Nominees Limited																													
Rogers and Company Limited		✓																											
Rogers Aviation (Mauritius) Ltd																													
Rogers Aviation Comores S.A.R.L																													
Rogers Aviation France S.A.R.L																													
Rogers Aviation Holding Co Ltd																													
Rogers Aviation International Ltd																													
Rogers Aviation Kenya Ltd (Dormant)																													✓
Rogers Aviation Madagascar S.A.R.L									✓																				
Rogers Aviation Mayotte SARL																													
Rogers Aviation Mozambique LDA.																													
Rogers Aviation Reunion SARL																													
Rogers Aviation South Africa (Proprietary) Limited																													
Rogers Capital Accounting Services Ltd																													
Rogers Capital Brokers Ltd																													
RCAP Executives Ltd																													
Rogers Capital Captive Insurance Management Services Ltd			✓																										
Rogers Capital City Executives Ltd																													
Rogers Capital Corporate Services Limited			✓													✓													
Rogers Capital Corporate Services (Seychelles) Limited																													
Rogers Capital Fin Ltd			✓													✓													
Rogers Capital Finance Ltd			✓													✓													
Rogers Capital Fund Services Ltd														✓		✓			✓										
Rogers Capital Investment Advisors Ltd			✓																✓										
Rogers Capital Ltd			✓													✓													
Rogers Capital Management Services Ltd																													
Rogers Capital Nominee Ltd																													
Rogers Capital Nominee 1 Ltd																													
Rogers Capital Nominee 2 Ltd																													
Rogers Capital Outsourcing Ltd				✓												✓													
Rogers Capital Payroll Services Ltd																													
Rogers Capital Specialist Services Ltd																													
Rogers Capital Tax Specialist Servicesd Ltd					✓																								
Rogers Capital Technology Services Ltd			✓			✓										✓													
Rogers Capital Trustees Services Ltd																													
Rogers Consolidated Shareholding Limited																													
Rogers Corporate Services Ltd																													
Rogers Foundation Ltd															✓														
Rogers Hospitality Group Ltd																													
Rogers Hospitality Management Company Ltd																													
Rogers Hospitality Operations Ltd																	A												
Rogers Hospitality Property Fund Ltd																													
Rogers Hospitality Training Ltd																													
Rogers IDS (Velogic France) SA																													
Rogers IDS Madagascar SA																													

	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angelique Anne	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey	Doger de Spéville Alban Ulrich	Doger de Spéville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H.W. Anthony	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier-Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe
Restaurant Operations company Ltd																													✓
River Court Nominees Limited																													
Rogers and Company Limited																									✓	✓	✓		✓
Rogers Aviation (Mauritius) Ltd																													
Rogers Aviation Comores S.A.R.L																													
Rogers Aviation France S.A.R.L																													
Rogers Aviation Holding Co Ltd	✓																												✓
Rogers Aviation International Ltd																													
Rogers Aviation Kenya Ltd (Dormant)																													
Rogers Aviation Madagascar S.A.R.L																													
Rogers Aviation Mayotte SARL																													
Rogers Aviation Mozambique LDA.																													
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Rogers Capital Finance Ltd						✓																							✓
Rogers Capital Fund Services Ltd																													
Rogers Capital Investment Advisors Ltd						✓																							R
Rogers Capital Ltd			✓			✓							✓														✓		✓
Rogers Capital Management Services Ltd			✓			✓																							✓
Rogers Capital Nominee Ltd																													
Rogers Capital Nominee 1 Ltd																													
Rogers Capital Nominee 2 Ltd																													
Rogers Capital Outsourcing Ltd						✓																							✓
Rogers Capital Payroll Services Ltd																													
Rogers Capital Specialist Services Ltd																													
Rogers Capital Tax Specialist Servicesd Ltd																													
Rogers Capital Technology Services Ltd						✓																							✓
Rogers Capital Trustees Services Ltd																													
Rogers Consolidated Shareholding Limited																									✓	✓	✓		✓
Rogers Corporate Services Ltd																													✓
Rogers Foundation Ltd															✓														✓
Rogers Hospitality Group Ltd																													✓
Rogers Hospitality Management Company Ltd																													✓
Rogers Hospitality Operations Ltd																									✓				✓
Rogers Hospitality Property Fund Ltd																													✓
Rogers Hospitality Training Ltd							✓																		✓				
Rogers IDS (Velogic France) SA																													
Rogers IDS Madagascar SA										✓																			

	Espitalier Noël Marie Patrick Roger	Espitalier Noël H.J.Thierry	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre	Fayolle Sandra Hélène	Galea Marie Henri Dominique	Garrioch Anthony Gérard	Guillot-Sestier Celine Marie	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh	Hugnin Thierry	Humbert Noël Jean	Hung Han Yun Denis	Hurkoo Dev Harish	Israel Marc
Restaurant Operations company Ltd																													
River Court Nominees Limited																													
Rogers and Company Limited																													
Rogers Aviation (Mauritius) Ltd				✓																									
Rogers Aviation Comores S.A.R.L				✓																									
Rogers Aviation France S.A.R.L				✓																									
Rogers Aviation Holding Co Ltd			A	✓																									
Rogers Aviation International Ltd				✓																									
Rogers Aviation Kenya Ltd (Dormant)				✓																									
Rogers Aviation Madagascar S.A.R.L				✓																									
Rogers Aviation Mayotte SARL				✓																									
Rogers Aviation Mozambique LDA.				✓																									
Rogers Aviation Reunion SARL				✓																									
Rogers Aviation South Africa (Proprietary) Limited				✓																									
Rogers Capital Accounting Services Ltd																													
Rogers Capital Brokers Ltd																													
RCAP Executives Ltd																													
Rogers Capital Captive Insurance Management Services Ltd																													
Rogers Capital City Executives Ltd																													
Rogers Capital Corporate Services Limited																													
Rogers Capital Corporate Services (Seychelles) Limited																													
Rogers Capital Fin Ltd																													
Rogers Capital Finance Ltd													✓	✓															
Rogers Capital Fund Services Ltd																													
Rogers Capital Investment Advisors Ltd																													
Rogers Capital Ltd													✓						✓										
Rogers Capital Management Services Ltd																													
Rogers Capital Nominee Ltd																													
Rogers Capital Nominee 1 Ltd																													
Rogers Capital Nominee 2 Ltd																													
Rogers Capital Outsourcing Ltd																												✓	
Rogers Capital Payroll Services Ltd																													
Rogers Capital Specialist Services Ltd																													
Rogers Capital Tax Specialist Servicesd Ltd															✓														
Rogers Capital Technology Services Ltd														✓														✓	
Rogers Capital Trustees Services Ltd																													
Rogers Consolidated Shareholding Limited																													
Rogers Corporate Services Ltd																													
Rogers Foundation Ltd					A									A	✓														
Rogers Hospitality Group Ltd				R																									
Rogers Hospitality Management Company Ltd																													
Rogers Hospitality Operations Ltd																							✓						
Rogers Hospitality Property Fund Ltd				R																									
Rogers Hospitality Training Ltd																							✓						
Rogers IDS (Velogic France) SA									✓																				
Rogers IDS Madagascar SA																													

	Abraham Bertrand Denis	Adam Marie Marc Guy	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dandes	Andre Emmanuel René	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl
Rogers Logistics International Ltd																						
Rogers Logistics Investment Holding Ltd			R													R						
Rogers Shipping Ltd																						
Rogers Shipping PTE Ltd																						
Run Tourisme																						
S & W Synergy Ltd										√												
Savannah Land Development Company Limited																						
Savannah Properties Limited																						
Savannah Smart City Limited																						
Seafood Basket Limited																						
Seven Colours Spa Ltd																						
SB Cattle Ltd																						
Smartvertising Ltd																						
Southern Marine & Co Ltd																						
South West Tourism Development Company Limited																						
Sports-Event Management Operation Co Ltd																						
Sukpak Ltd								√														
Suntricity Company Limited																						
Sygeco Limited										√												
Sweetwater Ltd																						
Tagada Limited															√							
Tambourissa Limited																						
Telfair Apartments Limited																						
Telfair Square Limited										√												
The Enabling Academy Limited																						
Terroirs Mauriciens Ltd																						
Ti Pouce Limited																						
Transcontinent S.A.R.L.																						
Turbine Incubator Limited																						
Velogic India Private Limited																						
Velogic Express Reunion SAS																						
Velogic Garage Services Ltd	√																					
Velogic Haulage Services Ltd	√																					
Velogic Holding Company Ltd												A			√							
Velogic Ltd																						
Veranda Tamarin Ltd																						
Vivacis solidarity Ltd															√							
VK Logistics Ltd															√							
VSR (Velogic Reunion)																						

	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angelique Anne	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey
Rogers Logistics International Ltd																						
Rogers Logistics Investment Holding Ltd																						
Rogers Shipping Ltd																						
Rogers Shipping PTE Ltd																						
Run Tourisme																						
S & W Synergy Ltd																						
Savannah Land Development Company Limited					√	√																
Savannah Properties Limited													√									
Savannah Smart City Limited					√	√																
Seafood Basket Limited																						
Seven Colours Spa Ltd														√								
SB Cattle Ltd																						
Smartvertising Ltd																						
Southern Marine & Co Ltd																						
South West Tourism Development Company Limited																						
Sports-Event Management Operation Co Ltd																						
Sukpak Ltd		√																				
Suntricity Company Limited																						
Sygeco Limited													√			√						
Sweetwater Ltd																						
Tagada Limited				√									√									
Tambourissa Limited																						
Telfair Apartments Limited						√																
Telfair Square Limited																						
The Enabling Academy Limited													√						√			
Terroirs Mauriciens Ltd																						
Ti Pouce Limited													R									
Transcontinent S.A.R.L.																						
Turbine Incubator Limited	√																					
Velogic India Private Limited																						
Velogic Express Reunion SAS																	√					
Velogic Garage Services Ltd																	√					
Velogic Haulage Services Ltd																	√					
Velogic Holding Company Ltd									A													
Velogic Ltd																	√					
Veranda Tamarin Ltd								A			√	√		√								
Vivacis solidarity Ltd																						√
VK Logistics Ltd																						
VSR (Velogic Reunion)																						

	Doger de Spéville Alban Ulrich	Doger de Speville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H. W. Anthony	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier-Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe	Espitalier Noël Marie Patrick Roger	Espitalier Noël H.J.Thierry	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre	Fayolle Sandra Hélène	Galea Marie Henri Dominique	Garrioch Anthony Gérard	Guillot-Sestier Celine Marie
Rogers Logistics International Ltd														√								
Rogers Logistics Investment Holding Ltd																						
Rogers Shipping Ltd																						
Rogers Shipping PTE Ltd											√			√								
Run Tourisme																		√				
S & W Synergy Ltd			√									√										
Savannah Land Development Company Limited							√					√										
Savannah Properties Limited												√										
Savannah Smart City Limited																						
Seafood Basket Limited														√								
Seven Colours Spa Ltd										√												
SB Cattle Ltd												√										
Smartvertising Ltd												√										
Southern Marine & Co Ltd																						
South West Tourism Development Company Limited										√		√		√								
Sports-Event Management Operation Co Ltd				√										√								
Sukpak Ltd														√		√						
Suntricity Company Limited										√												
Sygeco Limited																						
Sweetwater Ltd														√								
Tagada Limited												√										
Tambourissa Limited										√		√										
Telfair Apartments Limited							√															
Telfair Square Limited																						
The Enabling Academy Limited												√										
Terroirs Mauriciens Ltd																						
Ti Pouce Limited																						
Transcontinent S.A.R.L.																		√				
Turbine Incubator Limited												√										
Velogic India Private Limited																						
Velogic Express Reunion SAS																						
Velogic Garage Services Ltd																						
Velogic Haulage Services Ltd																						
Velogic Holding Company Ltd											√			√								
Velogic Ltd																						
Veranda Tamarin Ltd						R																
Vivacis solidarity Ltd														√					A			A
VK Logistics Ltd																						
VSR (Velogic Reunion)																						

	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh	Hugnin Thierry	Humbert Noël Jean	Hung Han Yun Denis	Hurkoo Dev Harish	Israel Marc
Rogers Logistics International Ltd																					
Rogers Logistics Investment Holding Ltd																					
Rogers Shipping Ltd																					
Rogers Shipping PTE Ltd																					
Run Tourisme																					
S & W Synergy Ltd																					
Savannah Land Development Company Limited																					
Savannah Properties Limited																					
Savannah Smart City Limited																					
Seafood Basket Limited																					
Seven Colours Spa Ltd															√						
SB Cattle Ltd									√												
Smartvertising Ltd									√												
Southern Marine & Co Ltd																					
South West Tourism Development Company Limited																					
Sports-Event Management Operation Co Ltd																					
Sukpak Ltd																					
Suntricity Company Limited																					
Sygeco Limited									√												
Sweetwater Ltd																					
Tagada Limited																					
Tambourissa Limited																					
Telfair Apartments Limited														A							
Telfair Square Limited																					
The Enabling Academy Limited																					
Terroirs Mauriciens Ltd																					
Ti Pouce Limited																					
Transcontinent S.A.R.L.		√																			
Turbine Incubator Limited																					√
Velogic India Private Limited			√																		
Velogic Express Reunion SAS																					
Velogic Garage Services Ltd																			√		
Velogic Haulage Services Ltd																					
Velogic Holding Company Ltd																					
Velogic Ltd																			A		
Veranda Tamarin Ltd																					
Vivacis solidarity Ltd							√														
VK Logistics Ltd																					
VSR (Velogic Reunion)																					

√: In office
A : Appointed
R : Resigned
Alt: Alternate

Company	Jaunbaccus Ahmed Nawaz Sanaudin	Jeewock Gianduth	Jingree Jayechund	Kareh Antoine	Kawol Dhanandjay	Kone-Dicoh Khady-Lika	Lagesse Loic Gérard Gaëtan	Lagesse Marcel Ernest Clement	Lagesse Jean Olivier	Lalsing Krishnajee	Langlois Gerard Philippe Stephane	Lam Kin Teng Dean Allen	Laulloo Mohammad Faiz Hafiz	Le Blanc Denis Jacques Hervé	Lecordier Tassawur	Legrigore Jean-Francois	Lenoir Gustave E. Jean Pierre	Le Roux Permaloo Hanjali Devi	Le Roy Sophie Marie Clémentine	Leteipan Dave	Li Ting Chung Richard	Louw Lucille Helen	Magon George	Makoond Deonanan	Mamet Jean Evenor Damien	Mamet M.J. Jean-Pierre	Mangar Binesh	Mariette Benoit Alain Bernard	Marrier D'Unienville Jean Albert	Marrier D'Unienville Joseph Alexis Antoine	Masrani Hasu	Masson Jean Pierre Vivian	Menteath Jonathan Lawrence	Mokar Shah Kirtikumar
Adnarev Ltd																																			
Agría Limited																	✓																	
Agrex Limited																																			
Ario Seychelles Ltd																																			
Ascencia Limited					A							A										✓			✓									
Associated Container Services Limited																																			
Axess Limited									✓																					✓			
Bagaprop Limited																						R											
Bagatelle Hotel Operations Company Limited																																			
Beavia Kenya Limited (Dormant)																															✓		
Bluesky Mayotte SARL																																			
Bluesky Madagascar SARL											✓																						
BlueAlizé Ltd																																			
BS Travel Management Limitada											✓																						
BS Travel Management Ltd											✓		✓																				
Cap D'abondance Ltd																																			
Cargo Express Madagascar S.A.R.L.																																			
Case Noyale Limitée																	✓																	
CCC LAH Limited																																			
Commercial Investment Property Fund Limited									✓																								
Croisières Australes Ltée																																			
DOMC Ltd																										✓									
Courchamps Development Limited																																			
Courchamps Properties Limited																																			
Ecoasis Energy Solutions Ltd																																			
Ecoasis Mechanical Works Ltd																																			
Ecoasis Technical Services Ltd																																			
Emblem Paints Limited									✓																								
EnAtt Ltd																						✓											
ENL Agri Limited																																			
ENL Commercial Limited									✓																					✓			
ENL Corporate Services Limited																																			
ENL Corporate Ventures Limited																																			
ENL Foundation																																			
ENL Limited																																			
ENL Property Limited																																			
ENL Rê Limited																																			
ENL Secretarial Services Limited																																			
Enterprise Information Systems Ltd (Dormant)																				R													
Enquickfix Limited																																			
Ensport Limited									✓																								
EnVolt Limited																																			
ESP Cleaning Limited																												✓						
ESP Landscapers Ltd																												✓						
Estate Property Solutions Ltd																																			
Express Logistics Solutions Ltd																																			
Field Good Fresh Foods Limited																																			

Company	Montocchio Francois Thierry	Montocchio Marie Joseph Jean-Pierre	Motet Joseph Jacques	Nadassen Kishen	Nanon Louis Christian	Nathoo Roshan	Ndjemba Abessolo Jean Paul	Noël Alexandre Jospeth Raoul	Nunkoo Nayendranath	Olivier Vivian	Oosman Mushtaq Mohamed Oomar Noormohamed	Pascal Pierre Yves	Park Georges Didier Nicholas	Patel Kiran	Payen Donald Emmanuel	Philogene Jean Didier	Piat Jean-Marie Alexandre Evenor	Piat Patrick Jean Evenor	Pilot Joseph Marie Johan	Pilot Joseph Michel	Pitot Jean Michel	Pople Richard Clive	Radhakeesoon Aruna Lata Vidia	Ramchurn - Oogarah Soorya Devi	Ramessur Daya Prakash	Rey Simon-Pierre	Rey Dominique André Thierry Hugues	Rigouzzo Luc Andre Emmanuel	Rivet Louis Raymond Daryl	Robert Francois Richard	Ruhee Ashley Coomar	Sauzier Thierry Raymond	Soowamber Manesha	Sangeelee Naveen	Shah Sharmil Dhanraj	Sophie Marie Wendy Fabiola	Stedman Richard Sohrab	Tapies Ibern Jaume	Teyssedre Michel Claude	Tsang Min Ching Paul	Tyack Frédéric Gérard	Ujoodha Dhanun	Vacher Belinda	Van Den Brande Dirk Cornellet Paul	Van Der Watt Louis Lukas Stephanus	Veerasamy Naderasen Pillay	Wong Choi Wah Jean Arnaud	Yue Chi Ming Tony
Adnarev Ltd																																																	
Agría Limited	✓																			R			✓									A																
Agrex Limited																																																	
Ario Seychelles Ltd																								✓																							
Ascencia Limited												✓																														✓		✓			✓		
Associated Container Services Limited									✓																									✓														
Axess Limited																																																	
Bagaprop Limited																																									✓		✓					
Bagatelle Hotel Operations Company Limited																																					✓											
Beavia Kenya Limited (Dormant)														✓										✓																							
Bluesky Mayotte SARL																																																	
Bluesky Madagascar SARL																								✓																							
BlueAlizé Ltd				✓																																✓											
BS Travel Management Limitada																								✓																							
BS Travel Management Ltd																								✓																							
Cap D'abondance Ltd																																					✓											
Cargo Express Madagascar S.A.R.L.																																																✓
Case Noyale Limitée	✓																			R			✓									A																
CCC LAH Limited																											✓										✓											
Commercial Investment Property Fund Limited																																								✓								
Croisières Australes Ltée																																					✓											
DOMC Ltd	✓			✓																							✓										✓											
Courchamps Development Limited																			✓																												
Courchamps Properties Limited																			✓								✓																				
Ecoasis Energy Solutions Ltd																✓										A														A							
Ecoasis Mechanical Works Ltd																✓										A																				
Ecoasis Technical Services Ltd																✓										A																				
Emblem Paints Limited																																																	
EnAtt Ltd																																									✓				✓			
ENL Agri Limited																																																	
ENL Commercial Limited																										✓																					
ENL Corporate Services Limited																			✓																												
ENL Corporate Ventures Limited																																																	
ENL Foundation																			✓																												
ENL Limited		✓									✓								✓							✓																					
ENL Property Limited																			✓								✓														✓							
ENL Rê Limited																																																	
ENL Secretarial Services Limited																																																	
Enterprise Information Systems Ltd (Dormant)									R																✓														✓									
Enquickfix Limited																																																	
Ensport Limited																																																	
EnVolt Limited																			✓								✓																				
ESP Cleaning Limited																			✓																												
ESP Landscapers Ltd																			✓																												
Estate Property Solutions Ltd																						✓																						✓				
Express Logistics Solutions Ltd									✓																									✓														
Field Good Fresh Foods Limited																																																	

	Jaunbaccus Ahmed Nawaz Sanaudin	Jeeawock Gianduth	Jingree Jayechund	Kareh Antoine	Kawol Dhanandjay	Kone-Dicoh Khady-Lika	Lagesse Loïc Gérard Gaëtan	Lagesse Marcel Ernest Clement	Lagesse Jean Olivier	Lalsing Krishnajee	Langlois Gerard Philippe Stephane	Lam Kin Teng Dean Allen	Laulloo Mohammad Faiz Hafiz	Le Blanc Denis Jacques Hervé	Lecordier Tassawur	Legrigore Jean-Francois	Lenoir Gustave E. Jean Pierre	Le Roux Permaloo Hanjali Devi	Le Roy Sophie Marie Clémentine	Leteipan Dave	Li Ting Chung Richard	Louw Lucille Helen	Magon George	Makoond Deonanan	Mamet Jean Evenor Damien	Mamet M.J. Jean-Pierre	Mangar Binesh	Mariette Benoit Alain Bernard
Floreal Commercial Centre Limited																									R			
Foresite Property Holding Ltd																									✓			
Floreal Limited																												
Freeport Operations (Mauritius) Ltd																												
Freight Link Limited									✓																			
General Cargo Services Limited (Kenya)																												
Gencargo (Transport) Limited (Kenya)																												
Globefin Corporate Services Ltd																✓												
Globefin Nominees Ltd																✓												
Global Air Cargo Services Ltd																												
Grewals (Mauritius) Limited									✓																			
Heritage Events Company Ltd																												
Heritage Golf Management Ltd																												
Hotel Operations Company Ltd																												
Gros Bois Development Limited																												
IslandHolidays Ltd						✓																						
Island Living Ltd						✓																			A			
La Place du Village Limited																												
Joinery and Metal Distribution International Limited									✓																			
Les Villas De Bel Ombre Ltee																												
Les Villas De Bel Ombre Amenities Ltd																												
Logistics Solutions Ltd																									✓			
Moka City Limited																									✓			
Moka Residential Limited																												
Moka Smart City Management Limited																												
Mon Désert Alma Sugar Milling Company Limited																												
Motor Traders Ltd																												
Nabridas International Limited									✓																			
Nabridas Ltd									✓																			
Oficea Company Limited																												
Oficea Workspitality Limited																												
P.A.P.O.L.C.S. Ltd								A		A																		
Papol Holding Ltd																												
Plaine des Papayes Properties Limited									✓																			
Plaisance Air Transport Services Ltd											✓		✓															
Plastinax Austral Limited									✓																			
Rennel Limited									✓																			
Restaurant Operations company Ltd																												
River Court Nominees Limited																												
Rogers and Company Limited																								✓	✓			
Rogers Aviation (Mauritius) Ltd																									✓			
Rogers Aviation Comores S.A.R.L																												
Rogers Aviation France S.A.R.L																												
Rogers Aviation Holding Co Ltd											✓														✓			
Rogers Aviation International Ltd											✓		✓												✓			
Rogers Aviation Kenya Ltd (Dormant)													✓															

	Marrier D'Unienville Jean Albert	Marrier D'Unienville Joseph Alexis Antoine	Masrani Hasu	Masson Jean Pierre Vivian	Menteath Jonathan Lawrence	Mokar Shah Kirtikumar	Montocchio Francois Thierry	Montocchio Marie Joseph Jean-Pierre	Motet Joseph Jacques	Nadassen Kishen	Nanon Louis Christian	Nathoo Roshan	Ndjemba Abessolo Jean Paul	Noël Alexandre Jospeth Raoul	Nunkoo Nayendranath	Olivier Vivian	Oosman Mushtaq Mohamed Oomar Noormohamed	Pascal Pierre Yves	Park Georges Didier Nicholas	Patel Kiran	Payen Donald Emmanuel	Philogene Jean Didier	Piat Jean-Marie Alexandre Evenor	Piat Patrick Jean Evenor	Pilot Joseph Marie Johan	Pilot Joseph Michel	Pitot Jean Michel
Floreal Commercial Centre Limited																											
Foresite Property Holding Ltd																											
Floreal Limited																											
Freeport Operations (Mauritius) Ltd															✓												
Freight Link Limited																											
General Cargo Services Limited (Kenya)						✓									✓												
Gencargo (Transport) Limited (Kenya)						✓									✓												
Globefin Corporate Services Ltd												✓															
Globefin Nominees Ltd												✓															
Global Air Cargo Services Ltd																											
Grewals (Mauritius) Limited																											
Heritage Events Company Ltd					✓		✓																				
Heritage Golf Management Ltd							✓																				
Hotel Operations Company Ltd																											
Gros Bois Development Limited																									✓		
IslandHolidays Ltd										✓	A																
Island Living Ltd							✓		A	R																	
La Place du Village Limited																									✓		
Joinery and Metal Distribution International Limited																								✓			
Les Villas De Bel Ombre Ltee							✓																		✓	R	
Les Villas De Bel Ombre Amenities Ltd																											
Logistics Solutions Ltd															✓												
Moka City Limited																									✓		
Moka Residential Limited																									✓		
Moka Smart City Management Limited																									✓		
Mon Désert Alma Sugar Milling Company Limited																											
Motor Traders Ltd																											
Nabridas International Limited																											
Nabridas Ltd																											
Oficea Company Limited																									✓		
Oficea Workspitality Limited																									✓		
P.A.P.O.L.C.S. Ltd															✓	R											
Papol Holding Ltd															✓												
Plaine des Papayes Properties Limited																											
Plaisance Air Transport Services Ltd																											
Plastinax Austral Limited																											
Rennel Limited																			✓								
Restaurant Operations company Ltd																											
River Court Nominees Limited												✓															
Rogers and Company Limited				✓				✓																			
Rogers Aviation (Mauritius) Ltd																											
Rogers Aviation Comores S.A.R.L																											
Rogers Aviation France S.A.R.L																											
Rogers Aviation Holding Co Ltd																					✓						
Rogers Aviation International Ltd																											
Rogers Aviation Kenya Ltd (Dormant)																											

	Pople Richard Clive	Radhakeesoon Aruna Lata Vidia	Ramchurn - Oogarah Soorya Devi	Ramessur Daya Prakash	Rey Simon-Pierre	Rey Dominique André Thierry Hugues	Rigouzzo Luc Andre Emmanuel	Rivet Louis Raymond Daryl	Robert Francois Richard	Ruhee Ashley Coomar	Sauzier Thierry Raymond	Soowamber Manesha	Sangeelee Naveen	Shah Sharmil Dhanraj	Sophie Marie Wendy Fabiola	Stedman Richard Sohrab	Tapies Ibern Jaume	Teyssedre Michel Claude	Tsang Min Ching Paul	Tyack Frédéric Gérard	Ujoodha Dhanun	Vacher Belinda	Van Den Brande Dirk Cornellet Paul	Van Der Watt Louis Lukas Stephanus	Veerasamy Naderasen Pillay	Wong Choi Wah Jean Arnaud	Yue Chi Ming Tony
Floreal Commercial Centre Limited																				✓		✓					
Foresite Property Holding Ltd		R																									
Floreal Limited																											
Freeport Operations (Mauritius) Ltd													✓														
Freight Link Limited																											
General Cargo Services Limited (Kenya)													✓														
Gencargo (Transport) Limited (Kenya)													✓														
Globefin Corporate Services Ltd																											
Globefin Nominees Ltd																											
Global Air Cargo Services Ltd																											
Grewals (Mauritius) Limited																											
Heritage Events Company Ltd																											
Heritage Golf Management Ltd																											
Hotel Operations Company Ltd																✓											
Gros Bois Development Limited						✓																					
IslandHolidays Ltd																R											
Island Living Ltd									R							✓	A										
La Place du Village Limited																											
Joinery and Metal Distribution International Limited																											
Les Villas De Bel Ombre Ltee																											
Les Villas De Bel Ombre Amenities Ltd																											
Logistics Solutions Ltd													A														
Moka City Limited						✓																					
Moka Residential Limited						✓																					
Moka Smart City Management Limited																											
Mon Désert Alma Sugar Milling Company Limited																											
Motor Traders Ltd																											
Nabridas International Limited																											
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P.A.P.O.L.C.S. Ltd													✓														
Papol Holding Ltd													✓														
Plaine des Papayes Properties Limited																											
Plaisance Air Transport Services Ltd																											
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Rennel Limited																											
Restaurant Operations company Ltd																✓											
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Rogers and Company Limited		✓								✓																	
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	Jaunbaccus Ahmed Nawaz Sanaudin	Jeeawock Gianduth	Jingree Jayechund	Kareh Antoine	Kawol Dhanandjay	Kone-Dicoh Khady-Lika	Lagesse Loïc Gérard Gaëtan	Lagesse Marcel Ernest Clement	Lagesse Jean Olivier	Lalsing Krishnajee	Langlois Gerard Philippe Stephane	Lam Kin Teng Dean Allen	Laulloo Mohammad Faiz Hafiz	Le Blanc Denis Jacques Hervé	Lecordier Tassawur	Legrigore Jean-Francois	Lenoir Gustave E. Jean Pierre	Le Roux Permaloo Hanjali Devi	Le Roy Sophie Marie Clémentine	Leteipan Dave	Li Ting Chung Richard	Louw Lucille Helen	Magon George	Makoond Deonanan	Mamet Jean Evenor Damien	Mamet M.J. Jean-Pierre	Mangar Binesh	Mariette Benoit Alain Bernard	Marrier D'Unienville Jean Albert	Marrier D'Unienville Joseph Alexis Antoine	Masrani Hasu	Masson Jean Pierre Vivian	Menteath Jonathan Lawrence	Mokar Shah Kirtikumar
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S & W Synergy Ltd							✓																											
Savannah Land Development Company Limited																																		
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	Montocchio Francois Thierry	Montocchio Marie Joseph Jean-Pierre	Motet Joseph Jacques	Nadassen Kishen	Nanon Louis Christian	Nathoo Roshan	Ndjemba Abessolo Jean Paul	Noël Alexandre Jospeth Raoul	Nunkoo Nayendranath	Olivier Vivian	Oosman Mushtaq Mohamed Oomar Noormohamed	Pascal Pierre Yves	Park Georges Didier Nicholas	Patel Kiran	Payen Donald Emmanuel	Philogene Jean Didier	Piat Jean-Marie Alexandre Evenor	Piat Patrick Jean Evenor	Pilot Joseph Marie Johan	Pilot Joseph Michel	Pitot Jean Michel	Pople Richard Clive	Radhakeesoon Aruna Lata Vidia	Ramchurn - Oogarah Soorya Devi	Ramessur Daya Prakash	Rey Simon-Pierre	Rey Dominique André Thierry Hugues	Rigouzzo Luc Andre Emmanuel	Rivet Louis Raymond Daryl	Robert Francois Richard	Ruhee Ashley Coomar	Sauzier Thierry Raymond	Soowamber Manesha	Sangeelee Naveen	Shah Sharmil Dhanraj	Sophie Marie Wendy Fabiola	Stedman Richard Sohrab	Tapies Ibern Jaume	Teyssedre Michel Claude	Tsang Min Ching Paul	Tyack Frédéric Gérard	Ujoodha Dhanun	Vacher Belinda	Van Den Brande Dirk Cornellet Paul	Van Der Watt Louis Lukas Stephanus	Veerasamy Naderasen Pillay	Wong Choi Wah Jean Arnaud	Yue Chi Ming Tony
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	Montocchio Francois Thierry	Montocchio Marie Joseph Jean-Pierre	Motet Joseph Jacques	Nadassen Kishen	Nanon Louis Christian	Nathoo Roshan	Ndjemba Abessolo Jean Paul	Noël Alexandre Jospeth Raoul	Nunkoo Nayendranath	Olivier Vivian	Oosman Mushtaq Mohamed Oomar Noormohamed	Pascal Pierre Yves	Park Georges Didier Nicholas	Patel Kiran	Payen Donald Emmanuel	Philogene Jean Didier	Piat Jean-Marie Alexandre Evenor	Piat Patrick Jean Evenor	Pilot Joseph Marie Johan	Pilot Joseph Michel	Pitot Jean Michel	Pople Richard Clive	Radhakeesoon Aruna Lata Vidia	Ramchurn - Oogarah Soorya Devi	Ramessur Daya Prakash	Rey Simon-Pierre	Rey Dominique André Thierry Hugues	Rigouzzo Luc Andre Emmanuel	Rivet Louis Raymond Daryl	Robert Francois Richard	Ruhee Ashley Coomar	Sauzier Thierry Raymond	Soowamber Manesha	Sangeelee Naveen	Shah Sharmil Dhanraj	Sophie Marie Wendy Fabiola	Stedman Richard Sohrab	Tapies Ibern Jaume	Teyssedre Michel Claude	Tsang Min Ching Paul	Tyack Frédéric Gérard	Ujoodha Dhanun	Vacher Belinda	Van Den Brande Dirk Cornellet Paul	Van Der Watt Louis Lukas Stephanus	Veerasamy Naderasen Pillay	Wong Choi Wah Jean Arnaud	Yue Chi Ming Tony
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VK Logistics Ltd									✓																									✓														
VSR (Velogic Reunion)																																		✓														

√: In office
A : Appointed
R : Resigned
Alt: Alternate

INDEPENDENT
AUDITOR'S REPORT

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of ENL Limited (the "Company") and its subsidiaries (altogether, the "Group") set out on pages 122 to 253 which comprise the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2022, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties As at 30 June 2022, included in Property, Plant and Equipment, the Group and the Company held land and buildings amounting to Rs29.4 billion and Rs633.7 million respectively (see Note 5 to the financial statements). The Group has a policy of recording land and buildings at revalued amount and in the case of buildings, less accumulated depreciation and impairment. Valuations are undertaken with sufficient regularity (between 1 to 3 years) by an external independent valuation specialists. For the year ended 30 June 2022 the corresponding gains on revaluation reported in Other Comprehensive Income for the Group and Company amounted to Rs 813.7 million and Nil respectively. The Group and the Company have Investment Properties amounting to Rs22.0 billion and Rs13.0 billion respectively, which are carried at fair value with the gains and losses recognised in profit or loss. Disclosures around the fair valuation of Investment Properties are set out in Note 6 to the financial statements.	**Our audit procedures included the following:** • Obtained, read, and understood the reports from the independent valuation specialists. Tested the mathematical accuracy of the reports and evaluated the valuation methodologies used by the external independent valuation specialists; • Involved our internal valuation specialist in validating the appropriateness of the methodologies and assumptions used; • Assessed the competence, qualifications, experience, and independence of the external independent valuation specialists; • Held discussions with management, challenging key assumptions adopted in the valuations, including discount rates and reversionary rates, and comparing them with historical rates and other available market data; • Reviewed forecasted data used in the valuations and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing actual and historical operating costs; • Considered the reasonableness of the inputs and assumptions used in the context of the COVID-19 pandemic; and

INDEPENDENT
AUDITOR'S REPORT

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties (Continued) The fair value of land and buildings classified as Property, Plant and Equipment or Investment Properties are determined by an external independent valuation specialist, using valuation techniques which involve significant judgements and assumptions. Inappropriate estimates made in the valuation of the land and buildings and investment properties may result in a material misstatement: 1. in the carrying amount of the properties and; 2. in profit or loss for the year in the case of Investment Properties and in Other Comprehensive Income in the case of Property, Plant and Equipment. Consequently, the valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties has been identified to be a key audit matter.	**Our audit procedures included the following: (Continued)** Reviewed the disclosures about significant estimates, critical judgements made by management and sensitivity analysis in the financial statements in respect of valuation of properties and ensured that all the relevant disclosures are in accordance with IAS 16 Property, Plant and Equipment, IAS 40 Investment Property and IFRS 13 Fair Value Measurements.
Valuation of Investment in subsidiaries and associated companies (Company level only) As at 30 June 2022, the Company held unquoted investments comprising of investments in subsidiaries amounting to Rs19.3 billion and investments in associated companies amounting to Rs355.5 million which are both carried at fair value. These investments are valued using different methods ranging from discounted cash flow techniques, EBITDA multiples and revalued net asset valuation. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could differ from the estimates. The ongoing COVID-19 pandemic encompasses uncertainties regarding its duration and the timing of recovery which eventually cause additional uncertainties on the projections of cash flows. Management has disclosed the estimates and judgements made for the fair valuation of investments in notes 9 and 10 to the financial statements. Due to the significance of these balances in the financial statements, and the significant judgements applied by management in the fair value assessment, the valuation of investment in subsidiaries and investment in associated companies were considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding of the process and controls in place in the fair valuation of the investment in subsidiaries and associated companies. • Engaged with our internal valuation specialist to review the appropriateness of the valuation methodologies (ensuring whether they are in line with generally acceptable valuation guidelines and principles) and to validate the key assumptions such as WACC or other key inputs. • Evaluated the assessment made by management with respect to the selection of appropriate comparable listed companies and adjustments to the valuation multiples, such as illiquidity and size of holdings, where comparable market multiples were used. • The following procedures were performed where cash flow techniques were used: - verified the mathematical accuracy of the cash flow models used and checked for internal inconsistency of the models; - assessed management's ability to prepare forecasts by comparing historical forecasts prepared by management against actual realised results; - assessed the reasonableness of the significant inputs and assumptions used in the cash flow forecasts such as growth rates and discount rates; and - challenged the key judgements made by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans. • Reviewed the disclosures about significant estimates and critical judgements made by management in the financial statements in respect of valuation of investment in subsidiaries and investment in associated companies to ensure that the disclosures are in accordance with IFRS 9 Financial instruments and IFRS 13 Fair Value Measurements.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Assessment of impairment of goodwill (Group level only) The carrying amount of goodwill recognised at Group level amounted to Rs924.7 million as at 30 June 2022 and no impairment was recognised in the statements of profit or loss during the year under review. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. The value-in-use calculations use discounted cash flow (DCF) projections based on financial budgets which involve judgement by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins, and operating margins. The ongoing COVID-19 pandemic encompasses uncertainties regarding its duration and the timing of recovery which eventually cause uncertainties on the projections of cash flows and assumptions including growth rate and discount rate. These factors have made the timing and amount of future cash flows more uncertain, when they were already inherently uncertain. Management has disclosed the accounting judgements and estimates relating to goodwill impairment review in note 8 to the financial statements. These assumptions and estimates can have a material impact on the impairment figure reflected in the consolidated financial statements of the Group. Accordingly, the impairment assessment of goodwill was considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding, evaluated the design and the operating effectiveness of selected key controls over projections of future income, terminal growth rate assumptions, and discount rates related to the impairment of goodwill. • Involved our internal valuation specialist in validating the appropriateness of the methodology and assumptions used; In relation to the above, our substantive testing procedures included the following: • Corroborated the justification of the CGUs defined by management for goodwill allocation. • Obtained the Group's discounted cash flow models that support the value-in-use calculations and assessed the following: • the appropriateness of the methodology applied in the Group's annual impairment assessment; • the reasonableness of the significant inputs and the assumptions used including projections on future income, terminal growth rates, discount rates and sensitivity analysis to determine the impact of those assumptions; • management's ability to prepare forecasts by comparing historical forecasts prepared by management against actual realised results; • challenged the key judgements made by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans given the continuing impact of COVID-19 on the economy; • verified the mathematical accuracy of the cash flow models used and checked for internal inconsistency of the models; and • Assessed the appropriateness and completeness of the related disclosures in note 8 to the financial statements in terms of IAS 36 Impairment of assets.

Other Information

The directors are responsible for the other information. The other information comprises the Integrated Report other than the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 the directors.
- Conclude on the appropriateness of the 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 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 consolidated and separate 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/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 and separate 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 the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

We have obtained all the information and explanations we have required.

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

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Group has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius
Date: 30 September 2022

Andre Lai Wan Loong

ANDRE LAI WAN LOONG, F.C.A.
Licensed by FRC

STATEMENTS OF **FINANCIAL POSITION**

AS AT JUNE 30, 2022

	Notes	THE GROUP 2022 Rs'000	THE GROUP 2021 Rs'000	THE COMPANY 2022 Rs'000	THE COMPANY 2021 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**32,774,763**	32,379,124	**667,178**	672,362
Investment properties	6	**22,032,643**	20,538,199	**12,984,739**	13,037,659
Deferred expenditure	7	**-**	10,200	**-**	-
Intangible assets	8	**1,577,127**	1,570,428	**311,528**	311,528
Investments in subsidiary companies	9	**-**	-	**19,326,710**	14,318,551
Investments in associated companies	10	**10,197,339**	8,798,006	**1,217,800**	742,200
Investments in jointly controlled entities	11	**40,783**	40,983	**-**	-
Financial assets at fair value through other comprehensive income	12(b)	**578,211**	484,145	**106,475**	92,515
Other financial assets at amortised cost	13	**82,148**	66,623	**1,837,818**	1,837,892
Loans and advances	14	**1,451,500**	1,445,000	**-**	-
Deferred tax assets	23(b)	**239,838**	247,832	**73,749**	71,908
Deferred rent assets	24(b)	**4,183**	2,200	**4,183**	2,200
Employee benefits assets	26	**36,200**	35,500	**-**	-
		69,014,735	65,618,240	**36,530,180**	31,086,815
Current assets					
Inventories	15	**3,530,573**	2,944,846	**-**	-
Consumable biological assets	16	**362,625**	370,663	**-**	-
Loans and advances	14	**752,800**	827,500	**-**	-
Trade and other receivables	17	**2,294,353**	2,092,610	**3,899**	6,972
Assets related to contracts with customers	18	**124,119**	159,432	**-**	-
Amounts receivable from group companies	19	**-**	-	**264,249**	663,748
Other financial assets at amortised cost	13	**1,457,903**	1,297,610	**70,369**	32,155
Financial assets at fair value through profit or loss	12(c)	**61,770**	54,640	**61,770**	54,640
Cash at bank and in hand	39(c)	**5,245,016**	4,655,282	**452,566**	681,868
		13,829,159	12,402,583	**852,853**	1,439,383
Non-current assets classified as held for sale	20(b)	**-**	19,100	**-**	-
Total assets		**82,843,894**	78,039,923	**37,383,033**	32,526,198
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	21(b)	**3,607,987**	3,607,987	**3,607,987**	3,607,987
Treasury shares	21(e)	**(250,000)**	(250,000)	**(250,000)**	(250,000)
Fair value, revaluation and other reserves	36	**16,771,936**	15,293,013	**10,120,561**	5,043,702
Retained earnings		**8,483,831**	7,871,386	**16,282,772**	16,229,735
Equity holders' interests		**28,613,754**	26,522,386	**29,761,320**	24,631,424
Non-controlling interests	9(h)	**14,990,877**	14,533,455	**-**	-
Total equity		**43,604,631**	41,055,841	**29,761,320**	24,631,424
LIABILITIES					
Non-current liabilities					
Borrowings	22	**24,293,704**	24,461,931	**6,278,562**	6,685,877
Liabilities related to contracts with customers	28	**226,700**	197,700	**-**	-
Deferred tax liabilities	23	**1,026,075**	1,094,316	**-**	-
Employee benefits liabilities	26	**1,061,646**	1,027,222	**358,336**	351,264
Deferred income	25	**11,569**	11,629	**-**	-
		26,619,694	26,792,798	**6,636,898**	7,037,141
Current liabilities					
Trade and other payables	27	**4,903,969**	4,174,286	**56,935**	45,642
Liabilities related to contracts with customers	28	**773,714**	545,625	**33,980**	-
Amounts payable to group companies	29	**-**	-	**34,942**	32,835
Current tax liabilities	35(b)	**129,044**	87,663	**-**	-
Borrowings	22	**6,644,094**	5,195,812	**690,210**	591,658
Dividends payable	37	**168,748**	187,498	**168,748**	187,498
		12,619,569	10,190,884	**984,815**	857,633
Liabilities directly associated with non-current assets classified as held for sale	20(c)	**-**	400	**-**	-
Total liabilities		**39,239,263**	36,984,082	**7,621,713**	7,894,774
Total equity and liabilities		**82,843,894**	78,039,923	**37,383,033**	32,526,198

These financial statements were approved and authorised for issue by the Board of Directors on 30 September 2022.

Jean Noël Humbert
Chairman

Hector Espitalier-Noël
Director

The notes on pages 128 to 253 form an integral part of these financial statements.
Independent auditor's report on pages 118 to 121.

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

YEAR ENDED JUNE 30, 2022

	Notes	THE GROUP 2022 Rs'000	THE GROUP 2021 Rs'000	THE COMPANY 2022 Rs'000	THE COMPANY 2021 Rs'000
Continuing operations					
Revenue:					
Revenue from contracts with customers	30(b)	**15,480,988**	10,900,290	**69,255**	54,928
Rental income	30(b)	**1,695,508**	1,523,493	**47,846**	52,550
Commission	30(b)	**407,699**	190,131	**-**	-
Interest income calculated using the effective interest rate (EIR) method	30(b)	**225,500**	218,100	**-**	-
Interest and dividend income	30(b)	**6,394**	9,889	**232,818**	153,417
		17,816,089	12,841,903	**349,919**	260,895
Expenses:					
Cost of sales	32(c)	**(10,609,025)**	(7,480,982)	**-**	-
Other operating expenses	31(a)	**(1,517,758)**	(1,503,069)	**(85,586)**	(78,491)
Interest expense - consumer finance business	33	**(76,900)**	(73,000)	**-**	-
Administrative expenses	31(b)	**(3,970,326)**	(3,537,587)	**(268,730)**	(207,214)
Reversal/(increase) of loss allowance on financial assets	13,14,17,18,19	**54,000**	(174,810)	**(228)**	(3,524)
Fair value gain on investment properties	6	**657,082**	807,058	**298,152**	147,739
Movement in consumable biological assets	16	**(8,590)**	79,965	**-**	-
Operating profit		**2,344,572**	959,478	**293,527**	119,405
Fair value gain on financial assets at fair value through profit or loss	12(c)	**6,684**	9,880	**6,684**	9,880
Profit on disposal of land and investments	32(d)	**19,722**	68,257	**364,487**	11,488
Profit/ (loss) on capital reduction of investment in subsidiaries		**-**	-	**6,759**	(52,800)
Compensation for excess contribution to interchange	32(g)	**-**	-	**33,000**	-
Impairment of goodwill and others	8(b),10(b),32(a)	**-**	(62,122)	**-**	-
(Loss)/profit realised on the fair value of contingent consideration	32(f)	**(200)**	14,100	**-**	-
Land conversion rights	32(b)	**-**	53,951	**-**	53,951
Settlement of pre-existing obligations	32(e)	**(41,308)**	-	**-**	-
Share of profit/(loss) recognised of associated companies and jointly controlled entities, net of tax	10(b),11(b)	**554,435**	(805,555)	**-**	-
Finance costs	33	**(1,154,219)**	(1,106,865)	**(320,837)**	(326,403)
Profit/(loss) before taxation		**1,729,686**	(868,876)	**383,620**	(184,479)
Taxation	35(a)	**(128,472)**	(200,334)	**(2,523)**	(1,479)
Profit/(loss) for the year from continuing operations		**1,601,214**	(1,069,210)	**381,097**	(185,958)
Discontinued operations					
Profit for the year from discontinued operations	49	**24,600**	4,000	**-**	-
Profit/(loss) for the year		**1,625,814**	(1,065,210)	**381,097**	(185,958)
Other comprehensive income for the year:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of property, plant and equipment, net of tax		**813,671**	253,021	**-**	-
Remeasurement of employee benefits liabilities, net of tax		**(49,688)**	140,967	**(21,304)**	(5,038)
Change in fair value of equity instruments at fair value through other comprehensive income	9(b), 10(g), 12(b)	**141,827**	(46,072)	**5,070,100**	971,272
		905,810	347,916	**5,048,796**	966,234
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		**40,755**	24,200	**-**	-
Share of other comprehensive income of associated companies and jointly controlled entities	10(b)	**992,309**	1,097,763	**-**	-
		1,033,064	1,121,963	**-**	-
Other comprehensive income for the year, net of tax		**1,938,874**	1,469,879	**5,048,796**	966,234
Total comprehensive income for the year		**3,564,688**	404,669	**5,429,893**	780,276
Profit/(loss) attributable to:					
Owners of the company					
-continuing operations		**829,477**	(734,742)	**381,097**	(185,958)
-discontinued operations		**11,886**	1,553	**-**	-
Non-controlling interests		**784,451**	(332,021)	**-**	-
		1,625,814	(1,065,210)	**381,097**	(185,958)
Total comprehensive income attributable to:					
Owners of the company		**2,398,959**	391,296	**5,429,893**	780,276
Non-controlling interests		**1,165,729**	13,373	**-**	-
		3,564,688	404,669	**5,429,893**	780,276
Earnings/(loss) per share from continuing operations	38 Rs.	**2.21**	(1.96)	**1.02**	(0.50)
Earnings per share from discontinued operations	38 Rs.	**0.03**	0.004	**-**	-

The notes on pages 128 to 253 form an integral part of these financial statements.
Independent auditor's report on pages 118 to 121.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2022

THE GROUP	Note	Stated capital	Treasury shares	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Retained earnings		Total	Non-controlling interests	Total equity
		Attributable to owners of the parent									
				Holding company and subsidiaries		Associated companies	Holding company and subsidiaries	Associated companies			
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2021		3,607,987	(250,000)	14,511,858	(27,361)	808,516	6,921,163	950,223	26,522,386	14,533,455	41,055,841
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	-	-	274,474	274,474
Capital reduction by subsidiary company to non-controlling shareholders		-	-	-	-	-	-	-	-	(109,005)	(109,005)
Effect of change in ownership interest not resulting in loss of control		-	-	6,595	-	-	(14,189)	-	(7,594)	(569,404)	(576,998)
Transfer on disposal of land and investments		-	-	(19,687)	-	-	19,687	-	-	-	-
Profit for the year		-	-	-	-	-	567,138	274,225	841,363	784,451	1,625,814
Other comprehensive income for the year		-	-	738,624	113,355	640,036	(51,450)	117,031	1,557,596	381,278	1,938,874
Dividends	37	-	-	-	-	-	(299,997)	-	(299,997)	-	(299,997)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	-	-	(304,372)	(304,372)
Balance at June 30, 2022		**3,607,987**	**(250,000)**	**15,237,390**	**85,994**	**1,448,552**	**7,142,352**	**1,341,479**	**28,613,754**	**14,990,877**	**43,604,631**

The notes on pages 128 to 253 form an integral part of these financial statements.

Independent auditor's report on pages 118 to 121.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2022

THE GROUP	Note	Stated capital	Treasury shares	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Retained earnings		Total	Non-controlling interests	Total equity
		Attributable to owners of the parent									
				Holding company and subsidiaries		Associated companies	Holding company and subsidiaries	Associated companies			
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2020		3,607,987	(250,000)	14,312,129	(25,497)	218,467	7,045,588	1,371,439	26,280,113	14,149,238	40,429,351
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	-	-	25,849	25,849
Convertible bonds issued to non-controlling interests		-	-	-	-	-	-	-	-	467,400	467,400
Effect of change in ownership interest not resulting in loss of control		-	-	(179)	-	-	38,654	-	38,475	94,146	132,621
Disposal of group companies		-	-	-	(1,135)	(11,886)	1,135	11,886	-	-	-
Transfers		-	-	(11,245)	4,400	-	5,636	1,209	-	-	-
Profit/(loss) for the year		-	-	-	-	-	2,919	(736,108)	(733,189)	(332,021)	(1,065,210)
Other comprehensive income for the year		-	-	211,153	(5,129)	601,935	14,729	301,797	1,124,485	345,394	1,469,879
Dividends	37	-	-	-	-	-	(187,498)	-	(187,498)	-	(187,498)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	-	-	(216,551)	(216,551)
Balance at June 30, 2021		3,607,987	(250,000)	14,511,858	(27,361)	808,516	6,921,163	950,223	26,522,386	14,533,455	41,055,841

The notes on pages 128 to 253 form an integral part of these financial statements.

Independent auditor's report on pages 118 to 121.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2022

THE COMPANY	Note	Stated capital	Treasury shares	Revaluation reserves	Fair value reserves	Retained earnings	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2021		3,607,987	(250,000)	1,114,125	3,929,577	16,229,735	24,631,424
Profit for the year		-	-	-	-	381,097	381,097
Transfer on capital reduction on investment in subsidiary company		-	-	-	6,759	(6,759)	-
Other comprehensive income for the year		-	-	-	5,070,100	(21,304)	5,048,796
Dividends	37	-	-	-	-	(299,997)	(299,997)
Balance at June 30, 2022		**3,607,987**	**(250,000)**	**1,114,125**	**9,006,436**	**16,282,772**	**29,761,320**
Balance at July 1, 2020		3,607,987	(250,000)	1,114,125	3,011,105	16,555,429	24,038,646
Loss for the year		-	-	-	-	(185,958)	(185,958)
Transfer on capital reduction on investment in subsidiary company		-	-	-	(52,800)	52,800	-
Other comprehensive income for the year		-	-	-	971,272	(5,038)	966,234
Dividends	37	-	-	-	-	(187,498)	(187,498)
Balance at June 30, 2021		3,607,987	(250,000)	1,114,125	3,929,577	16,229,735	24,631,424

The notes on pages 128 to 253 form an integral part of these financial statements.

Independent auditor's report on pages 118 to 121.

STATEMENTS OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
		Rs'000	Rs'000	**Rs'000**	Rs'000
Operating activities					
Cash generated from/(used in) operations	39(a)	**3,588,695**	1,483,725	**10,056**	(199,133)
Interest paid - consumer finance business	33	**(76,900)**	(71,000)	**-**	-
Interest received - consumer finance business		**211,400**	199,100	**-**	-
Pension paid		**-**	(25,500)	**-**	-
Tax paid		**(151,994)**	(134,040)	**-**	-
Net cash generated from/(used in) operating activities		**3,571,201**	1,452,285	**10,056**	(199,133)
Investing activities					
Purchase of property, plant and equipment		**(922,365)**	(657,783)	**(6,631)**	(9,953)
Purchase of intangible assets		**(127,006)**	(40,076)	**(25,000)**	-
Purchase of investment properties		**(1,336,068)**	(1,000,484)	**(26,978)**	-
Purchase of shares in subsidiary companies		**(64,021)**	-	**(440,081)**	(380,250)
Purchase of financial assets at fair value through other comprehensive income		**(414,121)**	(92,900)	**-**	-
Purchase of financial assets at fair value through profit or loss		**-**	-	**(1,000)**	-
Purchase of investment in associated companies		**(3,010)**	-	**-**	-
Acquisition of subsidiaries		**(12,500)**	-	**-**	-
Disposal of subsidiaries		**-**	7,002	**-**	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		**75,172**	46,275	**-**	-
Proceeds from disposal of property, plant and equipment		**123,580**	144,703	**2,759**	1,511
Proceeds from disposal of investment properties		**13,526**	74,000	**763,173**	618,870
Purchase of bearer biological assets		**(29,531)**	(33,503)	**-**	-
Capital reduction from investments		**892**	851	**25,554**	436,992
Loans granted		**(95,108)**	(2,610)	**(618,172)**	(486,755)
Loans refunded		**49,380**	864	**978,914**	263,350
Interest received		**14,104**	18,690	**58,138**	54,721
Net cash (used in)/generated from investing activities		**(2,727,076)**	(1,534,971)	**710,676**	498,486
Financing activities					
Issue of shares to non-controlling shareholders		**313,600**	797,083	**-**	-
Grant received		**-**	4,976	**-**	-
Capital reduction by subsidiary companies attributable to non-controlling shareholders		**(117,824)**	(216,012)	**-**	-
Proceeds from borrowings		**10,753,359**	5,979,541	**499,750**	92,109
Payments on borrowings		**(8,864,087)**	(4,367,647)	**(806,064)**	(163,428)
Principal payments on lease liabilities		**(262,953)**	(214,775)	**(7,539)**	(7,928)
Interest paid		**(1,140,036)**	(1,129,912)	**(317,403)**	(327,654)
Dividends paid		**(318,747)**	-	**(318,747)**	-
Dividends paid by subsidiaries to non-controlling shareholders		**(292,977)**	(89,584)	**-**	-
Net cash generated from/(used in) financing activities		**70,335**	763,670	**(950,003)**	(406,901)
Increase/(decrease) in cash and cash equivalents		**914,460**	680,984	**(229,271)**	(107,548)
Movement in cash and cash equivalents					
At July 1,		**3,112,103**	2,403,516	**681,868**	789,390
Effects of exchange rate changes		**201**	27,603	**(31)**	26
Increase/(decrease) in cash and cash equivalents		**914,460**	680,984	**(229,271)**	(107,548)
At June 30,	39(c)	**4,026,764**	3,112,103	**452,566**	681,868

The notes on pages 128 to 253 form an integral part of these financial statements.

Independent auditor's report on pages 118 to 121.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

1. GENERAL INFORMATION

ENL Limited is a limited liability company incorporated and domiciled in Mauritius. Its registered office is at ENL House, Vivéa Business Park, Moka. ENL Limited is listed on the Stock Exchange of Mauritius.

ENL Limited is a land owner and is also an investment and management company.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the company.

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements have been disclosed in their respective notes other than those disclosed below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of ENL Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). The financial statements include the consolidated financial statements of the holding company and its subsidiary companies (collectively referred to as the group) and the separate financial statements of the holding company (the company). The financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000) except when otherwise indicated. The financial statements have been prepared under the historical cost convention, except that:

- land and buildings are carried at revalued amounts;
- investment properties are stated at fair value;
- financial assets at fair value through other comprehensive income are carried at fair value;
- financial assets at fair value through profit or loss are carried at fair value;
- employee benefit assets/employee benefit liabilities are carried at fair value;
- consumable biological assets are measured at fair value;
- relevant financial assets and financial liabilities are stated at amortised cost; and
- non current asset held for sale are carried at the lower of carrying value and fair value less costs to sell.
- investments in subsidiary companies, associated companies and jointly controlled entities are carried at fair value in the separate 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 group'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 and in respective applicable notes.

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

The group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2021 (unless otherwise stated). The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the group. The group intends to use the practical expedients in future periods if they become applicable.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies and disclosures (cont'd)

New and amended standards and interpretations (cont'd)

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On May 28, 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021. However, the group has not received Covid-19-related rent concessions.

Standards issued but not yet effective

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The group is currently assessing the impact the amendments.

The group has a significant influence in an associated company which operates in both life and general insurance. However the group is still assessing the impact of IFRS 17 on the financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraph 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting beginning on or after January 1, 2023 and must be applied retrospectively.

The amendments are not expected to have a material impact on the group.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies and disclosures (cont'd)

Standards issued but not yet effective (cont'd)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the group.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies and disclosures (cont'd)

Standards issued but not yet effective (cont'd)

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The amendments are not expected to have a material impact on the group.

Sale or Contribution of assets between an investor and its associate or joint venture- Amendments to IFRS 10 and IAS 28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

Sale or Contribution of assets between an investor and its associate or joint venture- Amendments to IFRS 10 and IAS 28 (cont'd)

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are not expected to have a material impact on the group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendments are not expected to have a material impact on the group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies

(a) Financial instruments

(i) Financial assets

Classification of financial assets

In accordance with IFRS 9, the classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. Accordingly, the group classify their financial assets at initial recognition into financial assets at amortised cost (debt instruments), financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments), financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), financial assets at fair value through profit or loss.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to note 30(b) - Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) Financial instruments (cont'd)

(i) Financial assets (cont'd)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit–impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest income rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the entity recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial assets subsequently improves so that the financial assets is no longer credit-impaired.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all the other financial instruments, the group recognises lifetime ECL until they are derecognised due to short-term nature of the receivables and have been assessed to have credit risk other than low.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

- Significant increase in credit risk

The group holds only trade receivables with no financing component, and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

- Definition of default

The group considers a trade receivable to be in default when contractual payments are past due for a period exceeding 90 days. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

- Write off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

<u>Recognition of expected credit losses</u>

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the statements of financial position.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) Financial instruments (cont'd)

(ii) Financial liabilities

Initial recognition and measurement

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

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

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and amount due to holding company.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

· Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings, trade and other payables and amount due to holding company. For more information, refer to notes 14, 22 and 27.

(iii) Derecognition of financial assets and liabilities

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Derecognition of financial liabilities

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

(iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(v) Fair value of financial instruments

Determination of fair value

The group determines the fair value of its financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the group.

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

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) Financial instruments (cont'd)

(v) Fair value of financial instruments (cont'd)

Determination of fair value (cont'd)

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in IFRS 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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

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

(b) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Such financial assets are carried at amortised cost using the effective interest rate method.

(c) Taxation

The income tax expense represents the current tax provision and the movement in deferred tax.

Current income tax

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

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

The accounting policies for deferred tax are disclosed in note 23.

(d) Provisions

General

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(d) Provisions (cont'd)

Warranty provisions

The group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are recognised only when the group has a constructive obligation, which is when (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline and (ii) the employees affected have been notified of the plan's main features.

Decommissioning liability

The group records a provision for decommissioning costs of a manufacturing facility for the production of fire-retardant materials. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Onerous contract

If the group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e.,both incremental costs and an allocation of costs directly related to contract activities).

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the group's entities 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 group'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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'.

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

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

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.

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(f) Impairment of non-financial assets

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

(g) Government grant

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. The group applied for the Government Wage Assistance Scheme ('WAS') during the year. The WAS is an economic measure by the Government of Mauritius to provide a wage subsidy to employers as a response to the COVID-19 pandemic and to ensure that all employees are duly paid their salary. Grants in respect of wages obtained under the wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages and salaries relate. Management has made an assessment of whether all the conditions applied to the Covid Levy has been met in order to recognise for the government grants. Based on management estimates and future profit forecast, management believes that the companies having received the WAS will be loss making for the next two years and therefore the group is entitled to recognise the full Covid levy within the year of receipt and the receipt is being netted off with employee expense.

(h) Current versus non-current classification

The group presents assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest-rate risk), credit risk and liquidity risk.

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

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

(a) Market risk

(i) **Currency risk**

Several of the group's subsidiary companies deal in foreign currency transactions or operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, the US dollar and the GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Some of the group's subsidiary companies are also exposed to fluctuations of exchange rate which impacts on the price of sugar.

The group operates internationally and is exposed to foreign exchange risk arising from various major currencies. Group's entities use forward contracts, whenever possible, to hedge their exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings.

	THE GROUP					THE COMPANY
	EURO	USD	GBP	Rs.	Total	Rs.
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2022						
Non current financial assets	-	74,800	-	2,037,059	2,111,859	1,944,293
Non current financial liabilities	(953,600)	(319,700)	-	(23,020,404)	(24,293,704)	(6,278,562)
Long term exposure	(953,600)	(244,900)	-	(20,983,345)	(22,181,845)	(4,334,269)
Current financial assets	529,872	717,264	68,700	8,620,125	9,935,961	852,853
Current financial liabilities	(347,768)	(626,975)	-	(11,644,826)	(12,619,569)	(984,815)
Short term exposure	182,104	90,289	68,700	(3,024,701)	(2,683,608)	(131,962)
Total exposure	(771,496)	(154,611)	68,700	(24,008,046)	(24,865,453)	(4,466,231)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) **Currency risk (cont'd)**

	THE GROUP					THE COMPANY
	EURO	USD	GBP	Rs.	Total	Rs.
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2021						
Non current financial assets	-	66,100	-	1,929,668	1,995,768	1,930,407
Non current financial liabilities	(1,060,700)	(337,700)	-	(23,063,531)	(24,461,931)	(6,685,877)
Long term exposure	(1,060,700)	(271,600)	-	(21,133,863)	(22,466,163)	(4,755,470)
Current financial assets	595,751	676,884	5,500	7,808,939	9,087,074	1,439,383
Current financial liabilities	(472,008)	(915,941)	-	(8,802,935)	(10,190,884)	(857,633)
Short term exposure	123,743	(239,057)	5,500	(993,996)	(1,103,810)	581,750
Total exposure	(936,957)	(510,657)	5,500	(22,127,859)	(23,569,973)	(4,173,720)

If the Rupee had weakened/strengthened by 1% against the Euro, US dollar, GBP with all other variables held constant, the financial impact will be as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Euro	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit for the year (+ / -)	**7,715**	9,370	**-**	-
Equity (+ / -)	**7,715**	9,370	**-**	-
USD				
Profit for the year (+ / -)	**1,546**	5,107	**-**	-
Equity (+ / -)	**1,546**	5,107	**-**	-
GBP				
Profit for the year (+ / -)	**687**	55	**-**	-
Equity (+ / -)	**687**	55	**-**	-

The group uses forward contracts, whenever possible, to hedge its exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings. The risk is also managed through short term swap of currencies.

Derivative financial instruments

At June 30, 2022, the group had no foreign exchange contracts (2021: Rs.nil).

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(ii) **Price risk**

Equity

The group and the company are exposed to equity securities price risk mainly because of investments in equity listed companies on the Stock Exchange of Mauritius. The investments are held for medium term and are exposed to fluctuations in the equity market. A 5% increase/(decrease) in the relevant equity prices will increase/(decrease) the group's and company's equity by Rs.9.1m (2021: Rs.7.9m) and Rs.7.8m (2021: Rs.6.7m) respectively. Our process as regards to the risk associated with these investments is a monitoring of the entities' annual financial performance and the analysis of their return on investment.

Commercial

The group is exposed to market risk in respect of residential units for sale and commercial units to rental. Management monitors the demand and supply of the market and decides accordingly to initiate projects.

(iii) **Cash flow interest risk**

The group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The group's interest rate risk arises from borrowings at variable rates.

At June 30, 2022, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Rupee-denominated borrowings	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Effect higher/lower interest expense on post tax profit and equity	**119,033**	112,283	**30,193**	30,988

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

(b) Credit risk

Credit risk arises principally from the group's trade receivables and leases as well as other credit facilities made to customers, other financial assets carried at amortised cost and cash and cash equivalents. The group's credit risk concentration is spread between interest rate and equity securities and also arises on amounts receivable from group companies. All transactions in listed securities are settled/ paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

In view of managing its credit risk, the group establishes credit policy whereby new customers are analysed for credit worthiness for each business activity before offering any standard payment delivery terms and conditions. Customers that fail to meet the group's benchmark credit worthiness may transact with the group upon lodging of a bank guarantee or a security document or prepaid basis. The subsidiary companies have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The company makes advances and loans to group companies with sound financial background. Further disclosures on credit risk and expected credit losses ("ECL") are provided in the following notes: Note 13 – Other financial assets at amortised cost, Note 14 - Loans and advances, Note 18 – Assets related to contracts with customers, Note 17 – Trade and other receivables and Note 39(c) - Cash and cash equivalents.

The risk with the sales of sugar from the operations in Mauritius has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through a reputable institution namely, the Mauritius Sugar Syndicate where the risk of default is very remote.

For further details on the risk management policies and committees in place, refer to part 2.2.1 of the corporate governance report.

(c) Liquidity risk

Liquidity risk is the risk that the group encounters 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 and the availability of funding through an adequate amount of committed credit facilities from financial institutions. Due to the dynamic nature of the underlying businesses, group treasury aims at maintaining flexibility in funding by keeping committed credit facilities with banks. The group monitors rolling forecasts of its liquidity reserve on the basis of expected future cash flows.

At June 30, 2022 the company has a net current liability position of Rs.132m mainly due to the classification of Rs.500m loan payable to a financial institution under current liabilities. The company, through a financial restructuring, raised a bond of Rs.1.4bn on August 10, 2022 repayable between 8-15 years and used to repay the debt of Rs.500m.

At June 30, 2022, the company also had unutilised bank overdraft facilities.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments :

	Carrying amount	Less than one year	After one year and before two years	After two years and before five years	After five years	Contractual undiscounted payments
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2022						
Bank overdrafts	**1,218,252**	**1,218,252**	**-**	**-**	**-**	**1,218,252**
Bank and other loans	**13,072,117**	**3,305,809**	**1,816,983**	**3,863,813**	**6,283,938**	**15,270,543**
Bond notes	**3,564,786**	**248,173**	**1,496,198**	**1,559,329**	**841,351**	**4,145,051**
Secured fixed and variable rate notes	**5,819,530**	**1,160,145**	**138,745**	**1,745,590**	**1,684,649**	**4,729,130**
Debentures	**954,905**	**116,400**	**124,400**	**855,400**	**262,305**	**1,358,505**
Lease liabilities	**1,125,708**	**234,854**	**332,572**	**327,833**	**357,853**	**1,253,112**
Redeemable notes	**4,741,000**	**195,400**	**196,000**	**1,176,300**	**4,991,800**	**6,559,500**
Convertible bonds	**116,500**	**19,500**	**19,500**	**58,500**	**185,700**	**283,200**
Liabilities at fair value through profit or loss	**325,000**	**13,000**	**13,000**	**39,000**	**357,700**	**422,700**
Trade and other payables	**4,903,969**	**4,903,969**	**-**	**-**	**-**	**4,903,969**
Dividends payable	**168,748**	**168,748**	**-**	**-**	**-**	**168,748**
	36,010,515	**11,584,250**	**4,137,398**	**9,625,765**	**14,965,296**	**40,312,710**
June 30, 2021						
Bank overdrafts	1,543,179	1,543,179	-	-	-	1,543,179
Bank and other loans	17,520,703	3,806,877	3,549,888	4,837,250	8,239,972	20,433,987
Bond notes	3,561,155	175,125	175,125	1,627,772	2,338,588	4,316,610
Secured fixed and						-
variable rate notes	5,055,531	193,960	1,182,060	1,409,120	3,568,296	6,353,436
Debentures	836,505	119,680	128,280	356,640	933,445	1,538,045
Lease liabilities	1,140,670	207,129	444,117	313,468	385,285	1,349,999
Trade and other payables	4,174,286	4,174,286	-	-	-	4,174,286
Dividends payable	187,498	187,498	-	-	-	187,498
	34,019,527	10,407,734	5,479,470	8,544,250	15,465,586	39,897,040

The group monitors its risk of a shortage of funds using a liquidity planning tool. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and lease contracts. The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

	Carrying amount	Less than one year	After one year and before two years	After two years and before five years	After five years	Contractual undiscounted payments
THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2022						
Bank and other loans	**3,388,669**	**710,285**	**383,862**	**1,085,691**	**1,891,180**	**4,071,018**
Bond notes	**3,564,786**	**248,173**	**1,496,198**	**1,559,329**	**841,351**	**4,145,051**
Lease liabilities	**15,317**	**6,895**	**5,824**	**552**	**10,774**	**24,045**
Trade and other payables	**56,935**	**56,935**	**-**	**-**	**-**	**56,935**
Dividends payable	**168,748**	**168,748**	**-**	**-**	**-**	**168,748**
	7,194,455	**1,191,036**	**1,885,884**	**2,645,572**	**2,743,305**	**8,465,797**
June 30, 2021						
Bank and other loans	3,693,989	635,755	734,232	755,294	2,318,441	4,443,722
Bond notes	3,561,155	175,125	175,125	1,627,772	2,338,588	4,316,610
Lease liabilities	22,391	8,662	6,891	5,993	8,918	30,464
Trade and other payables	45,642	45,642	-	-	-	45,642
Dividends payable	187,498	187,498	-	-	-	187,498
	7,510,675	1,052,682	916,248	2,389,059	4,665,947	9,023,936

(d) Risk associated with the group's agricultural activities

The group is exposed to the following risks associated with its agricultural activities namely standing crop, deer farming and palm trees.

(i) Regulatory and environmental risk

The group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) Price risk

The group is exposed to risk due to fluctuations in the price of sugar. The risk will affect both the crop proceeds and the standing cane valuation.

(iii) Demand and supply risk

The group is exposed to risks arising from fluctuations in the price and sales volume of standing crop, deer farming and palm trees. When possible, the group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iv) Climate and other risk

The sugar cane and palm trees plantations and deer farming are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The group is also insured against natural disasters such as forest fires, floods and cyclones.

3.2 Fair value estimation

The fair value of financial instruments traded on 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 or regulatory agency and the prices represent actual and regularly occurring market transactions on an arm's length basis. 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 on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, net asset basis and dividend yield where applicable and makes assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 3. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The carrying amount of the financial assets would be an estimated Rs.1,196m (2021: Rs.1,145m) for the group and Rs.215m (2021: Rs. 199m) for the company higher/lower in the event their fair values were increased/decreased by 5%. The fair value of those financial assets and liabilities not presented on the group's statements of financial position at their fair values are not materially different from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D)

3.3 Capital risk management

The group's objectives when managing capital are:

- to safeguard the entities' ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may vary the amount of dividends paid to shareholders or sell assets to reduce debt.

The group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statement of financial position) less cash and bank balances. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings and revaluation, fair value and other reserves).

The net debt-to-adjusted capital ratios at June 30, 2022 and at June 30, 2021 were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debts	**31,938,212**	30,401,068	**6,968,772**	7,277,535
Cash and bank balances	**(5,245,016)**	(4,655,282)	**(452,566)**	(681,868)
Net debts	**26,693,196**	25,745,786	**6,516,206**	6,595,667
Total equity	**43,604,631**	41,055,841	**29,761,320**	24,631,424
Debt-to-adjusted capital ratio	**0.612**	0.627	**0.219**	0.268

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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 described below and in respective applicable notes to the financial statements.

Judgements

Note 9 Investments in subsidiary companies: whether the group has de facto control over an investee;

Subsidiaries are all entities, including structured entities, over which the group has control. The group controls an entity when it 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. For entities where effective holding is less than 50%, management ensures that control is exercised through board representations.

Note 10 Investments in associated companies: whether the group has significant influence over an investee;

The group determines whether an entity has significant influence over another entity for all entities with a shareholding between 20% and 50% of the voting rights. In considering the classification management considers whether control exists, the nature and structure of the relationship and other facts and circumstances. In making their judgement, the directors and management considered the group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. For associates with less than 20% effective holding, management ensures that significant influence is exercised through board representation.

Note 11 Investments in jointly controlled entities: whether the group has significant influence over an investee; and

Assumptions and estimation uncertainties

Note 5 Property, plant and equipment: determining the fair value of property, plant and equipment as part of the revaluation exercise carried out every 3 years;

Note 6 Investment properties: determining the fair value of investment property;

Note 8 Intangible assets: impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts;

Note 12 Investments in financial assets: determining the fair value of investments in financial asset on the basis of significant unobservable inputs;

Note 14 Loans and advances: measurement of ECL allowance for loans and advances: key assumptions in determining the inputs to the ECL model;

Note 16 Consumable biological assets: determining the fair value of biological assets on the basis of significant unobservable inputs;

Note 17 Trade and other receivables: measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;

Note 18 Assets related to contracts with customers: measurement of ECL allowance for contract assets: key assumptions in determining the weighted-average loss rate;

Note 23 Deferred income taxes: recognition of deferred tax assets/liabilities: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and

Note 26 Employee benefits liabilities: measurement of defined benefit assets/obligations: key actuarial assumptions.

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 how the group assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the group view of possible near term market changes that cannot be predicted with any certainty.

More details are in respective applicable notes below to the financial statements:

Note 3.1(a) Financial risk factors – Market risk: sensitivity analysis

Note 3.2 Fair value estimation: sensitivity analysis

Note 12 Investments in financial assets: sensitivity analysis

Note 14 Loans and advances: measurement of ECL allowance for loans and advances: key assumptions in determining the inputs to the ECL model;

Note 17 Trade and other receivables: measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;

Note 18 Assets related to contracts with customers: measurement of ECL allowance for contract assets: key assumptions in determining the weighted-average loss rate;

Note 26 Employee benefits liabilities: measurement of defined benefit assets/obligations: key actuarial assumptions.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgements in making these assumptions and selecting the inputs for the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of cash reporting period. Kindly refer to note 12 for more details.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT

(a) Accounting policy

All property, plant and equipment are initially recorded at cost, some of which, namely land and buildings, are subsequently shown at revalued amount based on periodic, but at least triennial valuations by qualified independent professional valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. 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 asset will flow to the group and the cost can be measured reliably. Cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met.

At each reporting date, the group reviews the carrying amount of its property, plant and equipment to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating units (CGU) exceeds its recoverable amount. When there is indication of impairment and the carrying amount of such asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Property, plant and equipment, other than land, are depreciated over their useful lives on a straight line basis. Depreciation is calculated on a straight line method to write off the cost or revalued amounts of the assets, with the exception of land, to their residual values over their estimated useful lives as follows:

	Years
Buildings and yard/Improvement to buildings	10 - 50
Machinery and equipment/Agricultural equipment	1 - 50
Motor vehicles/Transport equipment	4 - 10
Furniture, fittings and others/Office equipment	4 - 20
Bearer plants	7 - 14

Land is not depreciated.

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

Depreciation on assets which are directly related to operations are charged to cost of sales and others to operating expenses.

Bearer biological assets comprise of re-plantation costs relating to bearer canes. Cane replantation costs are capitalised and amortised over a period of ten years, one year after the expenses have been incurred.

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

The group accounts for land and buildings at fair value based on revaluation exercise carried out by qualified independent professional valuers on a periodic basis, normally every 3 years unless there are significant changes in market conditions which would require more frequent revaluations. The latest valuation was performed in June 2020.

Certain property, plant and equipment which meet certain criteria and considered as core assets, are also revalued periodically by external independent valuers and stated at their fair values less depreciation.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus directly in equity. All other decreases are charged to statements of profit or loss.

(a)(i) Items of property, plant and equipment include:	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment (see notes (b) and (c))	**31,716,330**	31,285,286	**656,000**	656,722
Right of use assets (see note (e))	**1,058,433**	1,093,838	**11,178**	15,640
At June 30,	**32,774,763**	32,379,124	**667,178**	672,362

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(b) THE GROUP

(i) **2022**

	Freehold land	Buildings & yard	Machinery & equipment	Motor vehicles	Furniture, fittings & others	Bearer plants	Assets under construction	Total
COST AND VALUATION	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	17,158,737	13,411,239	3,213,961	699,036	820,676	698,078	423,134	36,424,861
Additions	703,681	365,397	243,529	150,186	101,223	61,141	186,606	1,811,763
On disposal of subsidiary*	-	-	(6,900)	(600)	-	-	-	(7,500)
Disposals	(641,172)	(159,585)	(156,003)	(111,040)	(8,714)	-	-	(1,076,514)
Assets written off	-	(23,300)	(12,200)	-	-	-	-	(35,500)
Revaluation adjustment	225,126	588,649	-	-	-	(104)	-	813,671
Transfer from right of use assets (note 5(e))	-	-	16,800	33,520	-	-	-	50,320
Transfer to inventories	(697,566)	-	-	-	-	-	-	(697,566)
Transfer from investment properties (note 6)	-	49,205	-	-	-	-	-	49,205
Transfer from intangible assets (note 8)	-	9,500	-	-	-	-	-	9,500
Translation difference	-	2,300	(5,700)	(100)	-	-	-	(3,500)
At June 30,	**16,748,806**	**14,243,405**	**3,293,487**	**771,002**	**913,185**	**759,115**	**609,740**	**37,338,740**
DEPRECIATION AND IMPAIRMENT								
At July 1,	-	1,328,426	2,517,029	513,487	263,125	517,508	-	5,139,575
On disposal of subsidiary*	-	-	(4,600)	(300)	-	-	-	(4,900)
Charge for the year	-	218,796	283,569	87,853	54,036	30,061	-	674,315
Disposals	-	-	(123,766)	(89,673)	(5,457)	-	-	(218,896)
Assets written off	-	-	(8,900)	-	-	-	-	(8,900)
Transfer from right of use assets	-	-	12,100	27,316	-	-	-	39,416
Translation difference	-	2,000	(200)	-	-	-	-	1,800
At June 30,	**-**	**1,549,222**	**2,675,232**	**538,683**	**311,704**	**547,569**	**-**	**5,622,410**
NET BOOK VALUES								
At June 30,	**16,748,806**	**12,694,183**	**618,255**	**232,319**	**601,481**	**211,546**	**609,740**	**31,716,330**

*Refer to note 49 - 'Discontinued Operations' for more details.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(b) THE GROUP (CONT'D)

(ii) 2021

	Freehold land	Buildings & yard	Machinery & equipment	Motor vehicles	Furniture, fittings & others	Bearer plants	Assets under construction	Total
COST AND VALUATION	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	17,198,981	13,223,326	3,147,717	884,942	769,338	664,575	335,865	36,224,744
Additions	131,600	241,100	231,105	67,252	68,488	33,503	87,269	860,317
On disposal of subsidiary	-	-	(22,664)	(4,508)	(4,814)	-	-	(31,986)
Disposals	(48,206)	(1,622)	(110,161)	(98,901)	(7,178)	-	-	(266,068)
Assets written off	-	-	(12,736)	(49)	(5,158)	-	-	(17,943)
Revaluation adjustment	166,351	86,670	-	-	-	-	-	253,021
Transfer to right of use assets (note 5(e))	-	(90,200)	(44,300)	(152,300)	-	-	-	(286,800)
Transfer to inventories	(289,989)	(9,400)	-	-	-	-	-	(299,389)
Transfer to investment properties (note 6)	-	(48,335)	-	-	-	-	-	(48,335)
Translation difference	-	9,700	25,000	2,600	-	-	-	37,300
At June 30,	17,158,737	13,411,239	3,213,961	699,036	820,676	698,078	423,134	36,424,861
DEPRECIATION AND IMPAIRMENT								
At July 1,	-	1,153,908	2,364,081	581,309	231,342	489,790	-	4,820,430
On disposal of subsidiary	-	-	(15,347)	(3,006)	(4,083)	-	-	(22,436)
Charge for the year	-	203,667	283,852	81,133	43,349	27,718	-	639,719
Disposals	-	(1,249)	(98,652)	(80,200)	(2,323)	-	-	(182,424)
Assets written off	-	-	(12,705)	(149)	(5,160)	-	-	(18,014)
Transfer to right of use assets	-	(31,300)	(22,100)	(67,300)	-	-	-	(120,700)
Translation difference	-	3,400	17,900	1,700	-	-	-	23,000
At June 30,	-	1,328,426	2,517,029	513,487	263,125	517,508	-	5,139,575
NET BOOK VALUES								
At June 30,	17,158,737	12,082,813	696,932	185,549	557,551	180,570	423,134	31,285,286

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(b) THE GROUP (CONT'D)

(iii) Assets under construction relate to irrigation and other equipment under installation which are not yet operational.

(iv) The group's land and buildings were revalued by qualified independent professional valuers. The valuations were made on the basis of open market value and replacement costs as appropriate.

The techniques used are as follows:

• Where there are a significant number of similar transactions on the market, the market sales comparison approach are usually based upon to determine the open market values of both the land, freehold or leasehold and the buildings as well as the built-up improvements.

• For properties which are not regularly transacted on the open market, more particularly specialised properties, the income approach and depreciated replacement cost approach are used for the buildings and built-up improvements and the market sales comparison approach for the land component.

Details of the group's freehold land and buildings measured at fair value and information about the fair value hierarchy as at the reporting date are as follows:

2022	Level 3
	Rs'000
Freehold land	**16,748,806**
Buildings & yard	**12,694,183**
Total	**29,442,989**

2021	Level 3
	Rs'000
Freehold land	17,158,737
Buildings & yard	12,082,813
Total	29,241,550

Freehold land are disclosed as level 3 in the current year (2021: level 3).

The different levels have been defined as follows:

Level 1 - Unadjusted market prices in active market for identical assets.

Level 2 - Inputs other than market prices included within level 1 that are observable for the asset, either directly or indirectly.

Level 3 - Inputs for the asset that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(b) THE GROUP (CONT'D)

(v) The movement in level 3 fair value measurement for the year ended June 30, 2022 and 2021 are disclosed in the note (b) (i) & (ii) above.

(vi) **Sensitivity of fair value measurement to changes in unobservable inputs**

Information about fair value measurements using significant unobservable inputs (level 3) are as follows:

Description	Range of unobservable inputs per metre square
	Rs'000
Buildings	150 - 8,000

Although management believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on other comprehensive income and equity. The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct market comparison approach: estimates the value of a property by comparing it to similar properties recently sold in the market.	Rate per square meter/ arpent (Rs.)	The estimated fair value would increase/ (decrease) if rate per square meter/arpent (Rs.) were higher/ (lower).

A quantitative sensitivity analysis is shown below for the rate per square meter/arpent which are the unobservable inputs that management consider to be most significant.

Rate per meter square/arpent

Increase of 0.5% in rate per square/meter would increase fair value gain by Rs.4,068m (2021: Rs.1,265m).

Decrease of 0.5% in square/meter would decrease fair value gain by Rs.4,068m (2021: Rs.1,265m).

(vii) The group's property, plant and equipment are reflected at revalued amounts. If property, plant and equipment were stated at historical cost, the amounts would have been as follows:

	Freehold land	Buildings & yard	Total
2022	Rs'000	Rs'000	Rs'000
Cost	**379,354**	**5,389,203**	**5,768,557**
Accumulated depreciation	**-**	**(1,933,226)**	**(1,933,226)**
Net book values	**379,354**	**3,455,977**	**3,835,331**
2021			
Cost	379,354	4,974,601	5,353,955
Accumulated depreciation	-	(1,714,430)	(1,714,430)
Net book values	379,354	3,260,171	3,639,525

(viii) Depreciation charge of Rs.589.2m and Rs.85.1m (2021: Rs.560.9m and Rs.78.8m) has been charged to other operating expenses and to cost of sales respectively. Those charged to cost of sales are directly attributable to production activity.

(ix) Bank borrowings are secured on some of the group's property, plant and equipment. Refer to note 22 for further details.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

(c) THE COMPANY

	Land	Buildings	Improvement to buildings	Agricultural equipment	Transport equipment	Motor vehicles	Furniture & fittings	Office equipment	Total
(i) **2022**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION									
At July 1,	606,699	40,471	2,087	21,972	53,285	13,086	2,574	11,536	751,710
Additions	-	-	-	-	-	4,876	-	1,802	6,678
Disposals	-	-	-	-	(12,819)	(5,034)	-	(952)	(18,805)
At June 30,	**606,699**	**40,471**	**2,087**	**21,972**	**40,466**	**12,928**	**2,574**	**12,386**	**739,583**
DEPRECIATION									
At July 1,	-	10,799	448	10,616	53,285	9,338	1,912	8,590	94,988
Charge for the year	-	2,705	209	555	-	2,279	197	1,434	7,379
Disposal adjustments	-	-	-	-	(12,819)	(5,034)	-	(931)	(18,784)
At June 30,	**-**	**13,504**	**657**	**11,171**	**40,466**	**6,583**	**2,109**	**9,093**	**83,583**
NET BOOK VALUES									
At June 30,	**606,699**	**26,967**	**1,430**	**10,801**	**-**	**6,345**	**465**	**3,293**	**656,000**

Land and buildings are classified under level 3.

	Land	Buildings	Improvement to buildings	Agricultural equipment	Transport equipment	Motor vehicles	Furniture & fittings	Office equipment	Total
(ii) 2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION									
At July 1,	597,775	40,471	2,087	21,972	54,295	15,323	2,574	11,279	745,776
Additions	14,024	-	-	-	-	1,447	-	342	15,813
Disposals	(5,100)	-	-	-	(1,010)	(3,684)	-	(85)	(9,879)
At June 30,	606,699	40,471	2,087	21,972	53,285	13,086	2,574	11,536	751,710
DEPRECIATION									
At July 1,	-	8,094	239	10,061	54,116	10,111	1,715	7,483	91,819
Charge for the year	-	2,705	209	555	23	2,274	197	1,192	7,155
Disposal adjustments	-	-	-	-	(854)	(3,047)	-	(85)	(3,986)
At June 30,	-	10,799	448	10,616	53,285	9,338	1,912	8,590	94,988
NET BOOK VALUES									
At June 30,	606,699	29,672	1,639	11,356	-	3,748	662	2,946	656,722

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

(c) THE COMPANY (CONT'D)

(iii) The company's property, plant and equipment are reflected at revalued amounts. If property, plant and equipment were stated at historical cost, the amounts would have been as follows:

	Freehold land	Buildings & yard	Total
2022	Rs'000	Rs'000	Rs'000
Cost	**10,516**	**11,135**	**21,651**
Accumulated depreciation	**-**	**(2,919)**	**(2,919)**
Net book values	**10,516**	**8,216**	**18,732**
2021			
Cost	10,516	11,135	21,651
Accumulated depreciation	-	(214)	(214)
Net book values	10,516	10,921	21,437

(iv) Bank borrowings are secured on some of the company's property, plant and equipment. Please refer to note 22 for further details.

(v) Depreciation charge has been included in other operating expenses.

(d) **Critical accounting estimates**

Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the 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 as well as location, wear and tear and frequency of renovation are taken into account. The residual value of an asset is the estimated net amount that the group would currently obtain from the disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life. Residual value assessments consider issues such as future market conditions, the remaining useful 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.

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

Revaluation of properties

The group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The group appoints qualified independent professional valuers who have valuation experience of similar properties to determine the fair value of these properties. Valuations were made on the basis of open market values and replacement costs.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties in that specific region.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(e) RIGHT OF USE ASSETS

Accounting policy

The group recognises a right of use asset and a corresponding lease liability at commencement date at which the leased asset is available for use.

The group presents right of use assets that do not meet the definition of investment property as property, plant and equipment.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The depreciation period for right of use assets held by the group are as described below:

	Years
Land and buildings	10 - 50
Plant, machinery and motor vehicles	3 - 5

Short term leases and leases of low value assets

The group has elected not to recognise right of use assets and the corresponding lease liabilities for short-term leases and low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The group applies the exemption for low value assets on a lease by lease basis. While short term leases are leases with a term of twelve months or less, low-value assets are comprised of IT equipment including computers, mobile phones and small office equipment.

(i) THE GROUP

2022	Land and buildings	Plant, machinery and motor vehicles	Total
COST	Rs'000	Rs'000	Rs'000
At July 1,	1,267,870	281,455	1,549,325
Additions	96,955	63,908	160,863
Transfer to property, plant and equipment (note 5(b))	-	(50,320)	(50,320)
Termination of lease contracts	(7,100)	(21,800)	(28,900)
Remeasurement of leases	(731)	(2,800)	(3,531)
Translation difference	(800)	(600)	(1,400)
On disposal of subsidiary*	(8,100)	(5,400)	(13,500)
At June 30,	**1,348,094**	**264,443**	**1,612,537**
DEPRECIATION			
At July 1,	306,343	149,144	455,487
Charge for the year	129,843	45,990	175,833
Transfer to property, plant and equipment (note 5(b))	-	(39,416)	(39,416)
Termination of lease contracts	(3,400)	(24,100)	(27,500)
Remeasurement of leases	(900)	(1,800)	(2,700)
Translation difference	(400)	(100)	(500)
On disposal of subsidiary*	(3,000)	(4,100)	(7,100)
At June 30,	**428,486**	**125,618**	**554,104**
NET BOOK VALUES			
At June 30,	**919,608**	**138,825**	**1,058,433**

*Refer to note 49 - 'Discontinued Operations' for more details.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

(e) RIGHT OF USE ASSETS (CONT'D)

(i) THE GROUP (CONT'D)

2021	Land and buildings	Plant, machinery and motor vehicles	Total
COST	Rs'000	Rs'000	Rs'000
At July 1,	1,304,791	125,462	1,430,253
Additions	105,710	10,700	116,410
Disposals	-	(5,083)	(5,083)
Write off	-	(3,224)	(3,224)
Transfer from property, plant and equipment (note 5(b))	90,200	196,600	286,800
Termination of lease contracts	(4,422)	(6,500)	(10,922)
Remeasurement of leases	(165,009)	(29,500)	(194,509)
Translation difference	8,800	1,700	10,500
On disposal of subsidiary	(72,200)	(8,700)	(80,900)
At June 30,	1,267,870	281,455	1,549,325
DEPRECIATION			
At July 1,	189,974	32,523	222,497
Charge for the year	135,288	56,988	192,276
Disposal adjustment	-	(6,067)	(6,067)
Transfer from property, plant and equipment (note 5(b))	31,300	89,400	120,700
Termination of lease contracts	(2,448)	(3,300)	(5,748)
Remeasurement of leases	(42,700)	(15,800)	(58,500)
Translation difference	1,529	900	2,429
On disposal of subsidiary	(6,600)	(5,500)	(12,100)
At June 30,	306,343	149,144	455,487
NET BOOK VALUES			
At June 30,	961,527	132,311	1,093,838

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

(e) **RIGHT OF USE ASSETS (CONT'D)**

(ii) THE COMPANY

2022

	Office equipment	Land and buildings	Plant, machinery and motor vehicles	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	102	21,023	3,508	24,633
Remeasurement of leases	-	472	-	472
At June 30,	**102**	**21,495**	**3,508**	**25,105**
DEPRECIATION				
At July 1,	102	7,296	1,595	8,993
Charge for the year	-	3,658	1,276	4,934
At June 30,	**102**	**10,954**	**2,871**	**13,927**
NET BOOK VALUES				
At June 30,	**-**	**10,541**	**637**	**11,178**

2021	Office equipment	Land and buildings	Plant, machinery and motor vehicles	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000
At July 1 and June 30,	102	21,023	3,508	24,633
DEPRECIATION				
At July 1,	81	3,648	319	4,048
Charge for the year	21	3,648	1,276	4,945
	102	7,296	1,595	8,993
NET BOOK VALUES				
At June 30,	-	13,727	1,913	15,640

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

6. INVESTMENT PROPERTIES

(a) Accounting policy

Investment properties are properties which are held to earn rentals or for capital appreciation and not occupied by the group and are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value determined annually by qualified independent professional valuers. The qualified independent professional valuers hold recognised and relevant professional qualification and have recent experience in the location and category of the properties being valued. Subsequent costs relating mainly to infrastructure costs (costs to bring investment properties into saleable conditions) are capitalised as part of investment properties Changes in fair value are included in profit or loss.

Properties that are being constructed or developed for future use as investment properties are treated as investment properties. Investment properties are derecognised when they are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

Rental income from investment properties is recognised in revenue on a straight-line basis over the term of the lease. The effect of straight-lining of income is adjusted for in the fair value of investment properties.

If an investment property becomes owner occupied, it is reclassified to property, plant and equipment. Its fair value at the date of reclassification becomes its book value for subsequent accounting purposes.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged to other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, 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. Transfers between levels of the fair value hierarchy, are deemed to have occurred at the beginning of the reporting period.

Borrowing costs

Interest costs on borrowings to finance the construction of investment property are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the group incurs in connection with the borrowing of funds.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(b) **Fair value model**	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1,	**20,538,199**	19,177,378	**13,037,659**	12,906,131
Additions	**1,840,949**	1,128,105	**27,594**	-
Disposals	**(275,038)**	(46,411)	**(378,666)**	(16,211)
Effect of straightlining adjustment on rental income	**25,052**	22,792	**-**	-
Transfer (to)/from property, plant and equipment (note 5)*	**(49,205)**	48,335	**-**	-
Transfer to inventories (stock of land)	**(723,296)**	(623,958)	**-**	-
Translation difference	**18,900**	24,900	**-**	-
Increase in fair value	**657,082**	807,058	**298,152**	147,739
At June 30,	**22,032,643**	20,538,199	**12,984,739**	13,037,659

* Transfers in 2021 includes a portion of land reclassified from property, plant and equipment to investment property as the land is held by a subsidiary company and leased out for use to a subsidiary company.

Investment properties consist of the following:	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Commercial properties	**17,527,966**	15,916,046	**-**	-
Land	**4,504,677**	4,622,153	**12,984,739**	13,037,659
	22,032,643	20,538,199	**12,984,739**	13,037,659

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

6. INVESTMENT PROPERTIES (CONT'D)

(c) The following amounts have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income derived from investment properties (note 30(b))	**1,695,508**	1,523,493	**47,846**	52,550
Direct operating expenses generating rental income	**41,052**	88,745	**-**	-
Direct operating expenses that did not generate rental income	**495,557**	427,840	**-**	-

(d) The investment properties were valued on June 30, 2022 by qualified independent professional valuers namely Ramiah-Isabel Consultancy Ltd, Mills Fitchet and Messrs Jones Lang Lasalle

The properties have been valued to their open market value being the price at which the freehold interests might reasonably be expected to achieve if sold at the date of this valuation assuming:

1. There is a willing buyer for existing or alternative use purposes.

2. There is a willing and prudent seller.

3. That prior to the date of sale there had been a reasonable period in which to negotiate the proposed sale taking into account the prevailing market conditions.

4. That property values will remain static throughout the period during which the property is marketed.

5. That the properties will be freely and fully exposed to the market.

6. That no account is taken of any additional bid by a prospective purchaser with a special interest.

7. That both parties to the transaction will act knowledgeably, prudently and without compulsion.

8. The properties are free from all charges and encumbrances.

The fair value of the properties were determined using:

(i) The Direct Market Comparison Approach, which is based on recent transactions for similar properties in similar locations. Where comparables are not available, then the best-suited comparables are used and adjusted for year of transaction, geographical location, land, use, size, shape, frontage, access, site constraints, planning restrictions, etc. The resulting figure is further analysed to ascertain whether it is fair and reasonable according to our knowledge of the property market.

Sales for agricultural, residential and commercial properties where the subject properties are located to render the Sales Comparison Approach.

(ii) The discounted cash flow method (DCF) refers to the expected future net income for 5 years that has been discounted at an appropriate discount rate and added to the estimated reversionary value. The reversionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounting at an appropriate rate.The DCF valuation is also the approach by which private, institutional, local and overseas investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

On the other hand, building improvements have been fair valued using the Depreciated Replacement Cost (DRC) Method. The DRC has been arrived at by using the construction costs of similar buildings and adjusted for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level/quality of maintenance.

Information about fair value measurements using significant unobservable inputs:	Range of unobservable inputs per arpent	
	2022	2021
Land	**Rs'000**	Rs'000
Established built up /vacant residential and industrial plot - land	**137-9,209**	4,250-45,000
Building	**Rs/sqm**	Rs/sqm
Established built up /vacant residential and industrial plot - building	**111-73,490**	4,500-93,977

Direct market comparison approach has been used by the independent professional valuers and are based on recent transactions for similar properties in similar location.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

6. INVESTMENT PROPERTIES (CONT'D)

Main inputs used in the valuation of commercial properties are as follows:

	2022	2021
Reversionary rate	**7% - 9.25%**	7% - 9.25%
Discount rate	**11.50% - 13.50%**	11.50% - 14%
Market rental growth	**5%**	4% - 5%
Expense growth	**4% - 5%**	3% - 5%
Net operating income from properties (Rs'000)	**18,000 - 530,000**	17,000 - 479,000
DCF period	**5 years**	5 years

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on profit or loss and equity. The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (primary vs secondary), tenant credit quality and lease terms.	Expected market rental growth (5%) Void periods (1 to 3 months) Occupancy rate (90% - 100%) Rent-free periods (no rent-free period) Risk-adjusted discount rates (11.5% - 13.5%) Reversionary rate (7% - 9.25%)	The estimated fair value would increase (decrease) if: • expected market rental growth were higher (lower); • void periods were shorter • rent-free periods were shorter (longer); • the risk-adjusted discount rate was lower (higher); or • the reversionary rate was lower (higher).

A quantitative sensitivity analysis is shown below for the discount rate and reversionary rate which are the unobservable inputs that management consider to be most significant.

Discount rate

Increase of 0.5% in discount rate would decrease fair value gain by Rs.353.1m (2021: Rs.264.4m).

Decrease of 0.5% in discount rate would increase fair value gain by Rs.353.1m (2021: Rs.271.4m).

Reversionary rate

Increase of 0.5% in reversionary rate would decrease fair value gain by Rs.844.6m (2021: Rs.605.3m).

Decrease of 0.5% in reversionary rate would increase fair value gain by Rs.844.6m (2021: Rs.692.7m).

(e) The group has pledged part of its investment properties to secure borrowings. Please refer to note 22 for further details.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

6. INVESTMENT PROPERTIES (CONT'D)

(f) Details of the investment properties and information about the fair value hierarchy are as follows:

	THE GROUP	
	Level 3	
	2022	2021
	Rs'000	Rs'000
Land and buildings	**22,032,643**	20,538,199

	THE COMPANY	
	Level 3	
	2022	2021
	Rs'000	Rs'000
Land and buildings	**12,984,739**	13,037,659

(g) The movement in level 3 fair value measurement for the year ended June 30, 2022 and 2021 are disclosed in note (b) above. Land is disclosed as level 3 in the current year (2021: level 3).

(h) There has been no change in the valuation techniques used.

(i) Critical accounting estimates

Revaluation of investment properties

Investment properties are stated at fair value with changes in fair value being recognised in the statements of profit or loss. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The group appointed qualified independent professional valuers who have valuation experience of similar properties to determine the fair value of these properties which were carried out on the basis of open market values, depreciated replacement cost, discounted cash flow approach and residual value method.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties of similar nature in that specific region and residual value method as appropriate.

For developed sites, the income capitalisation method and the depreciated replacement cost basis have been used. The depreciated replacement cost methodology consists of the depreciated replacement cost of the building, plus the market value of the land.

For the unimproved sites, depreciated replacement cost basis have been used. The depreciated replacement cost methodology consists of the depreciated replacement cost of the building.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

7. DEFERRED EXPENDITURE

(a) **Accounting policy**

Deferred expenditure relates to cost incurred on a development project and are released as the properties are disposed.

(b) THE GROUP

(i) **2022**

	Deferred expenditure
Cost	**Rs'000**
At July 1,	**206,600**
Translation difference	**8,000**
Transfer to inventory	**(214,600)**
At June 30,	**-**
Amortisation	
At July 1,	**196,400**
Translation difference	**7,700**
Transfer to inventory	**(204,100)**
At June 30,	**-**
NET BOOK VALUES	
At June 30,	**-**

(ii) 2021

	Deferred expenditure
Cost	Rs'000
At July 1,	188,900
Translation difference	17,700
At June 30,	206,600
Amortisation	
At July 1,	138,500
Charge for the year	43,400
Translation difference	14,500
At June 30,	196,400
NET BOOK VALUES	
At June 30,	10,200

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS

(a) Accounting policy

Computer software and other intangible assets

Computer software and other intangible assets including market related intangibles, any premium paid on acquisition of businesses and concession rights, that are acquired by the group and have finite useful lives are initially recorded at cost. Other intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. The intangible assets are amortised using the straight-line method over its estimated useful life.

Amortisation methods, useful lives and residual values of computer software and other intangible assets are reviewed at each reporting date and adjusted if appropriate.

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

Premium paid by certain subsidiaries for acquiring agencies are considered as intangibles with indefinite life and are tested for impairment. Those premium having a finite life are amortised over the life time of the asset to determine its carrying amount at the end of the reporting period. For the year ended June 30, 2022, the group has not recognised internally generated intangibles.

The amortisation rates by class of other intangible assets held by the group are as described below:

Computer software:	2 - 8 years
Customer relationships:	8 years
Market related intangibles:	8 years
Concession rights:	9 - 60 years

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Land conversion rights have been assessed to have an indefinite life and are tested annually for impairment and are transferred to investment properties upon conversion of the land. The recoverable amount of the land conversion rights has been determined based on the value stated in the Sugar Industry Efficiency Act.

Franchise is shown at historical cost, has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over its estimated useful lives of 4 - 10 years.

Goodwill arises on the acquisition of subsidiary companies and represents the excess of the consideration over the group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Any net excess of the group's interests in the net fair value of the acquiree's net identifiable assets over cost is recognised in profit or loss.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. On disposal of a subsidiary company, the goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Other purchased goodwill consists mainly of premium paid by certain subsidiaries for acquiring agencies. This goodwill is either tested for impairment or amortised over a finite period of time to determine its carrying amount at the end of the reporting period.

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

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP

(i) **2022**	Computer software	Goodwill on acquisition of subsidiaries	Land conversion rights	Franchise	Market related intangibles	Concession /leasehold rights	Other intangible assets	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	368,489	898,868	311,528	28,871	357,500	180,00 0	73,807	2,219,063
Arising on business combination (note 43)	-	33,023	-	-	-	-	32,396	65,419
Additions	24,657	-	-	466	100	-	-	25,223
Assets written off	-	-	-	-	(300)	-	-	(300)
Disposals	-	-	-	(1,421)	-	-	-	(1,421)
Transfer to property, plant and equipment (note 5)*	-	-	-	-	-	-	(9,500)	(9,500)
Translation difference	(900)	13,600	-	-	-	-	-	12,700
At June 30,	**392,246**	**945,491**	**311,528**	**27,916**	**357,300**	**180,000**	**96,703**	**2,311,184**
AMORTISATION AND IMPAIRMENT								
At July 1,	314,330	20,763	-	6,165	207,700	78,000	21,677	648,635
Charge for the year	33,807	-	-	1,246	38,200	3,000	9,949	86,202
Assets written off	-	-	-	-	(300)	-	-	(300)
Impairment	20	-	-	-	-	-	-	20
Translation difference	(500)	-	-	-	-	-	-	(500)
At June 30,	**347,657**	**20,763**	**-**	**7,411**	**245,600**	**81,000**	**31,626**	**734,057**
NET BOOK VALUES								
At June 30,	**44,589**	**924,728**	**311,528**	**20,505**	**111,700**	**99,000**	**65,077**	**1,577,127**

*In 2022, a subsidiary company took note that a portion of land has been included as part of its acquired intangible and transferred the said land to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(ii) 2021

	Computer software	Goodwill on acquisition of subsidiaries	Land conversion rights	Franchise	Market related intangibles	Concession /leasehold rights	Other intangible assets	Total
COST	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	347,390	867,868	257,577	19,625	356,900	180,000	73,807	2,103,167
Additions	25,383	-	53,951	14,187	600	-	-	94,121
Disposals	(3,284)	-	-	(4,941)	-	-	-	(8,225)
Translation difference	(1,000)	31,000	-	-	-	-	-	30,000
At June 30,	368,489	898,868	311,528	28,871	357,500	180,000	73,807	2,219,063
AMORTISATION AND IMPAIRMENT								
At July 1,	280,108	11,963	-	7,083	169,000	75,000	13,808	556,962
Charge for the year	27,022	-	-	207	38,700	3,000	7,869	76,798
Disposal adjustments	(3,284)	-	-	(1,125)	-	-	-	(4,409)
Impairment	10,584	8,800	-	-	-	-	-	19,384
Translation difference	(100)	-	-	-	-	-	-	(100)
At June 30,	314,330	20,763	-	6,165	207,700	78,000	21,677	648,635
NET BOOK VALUES								
At June 30,	54,159	878,105	311,528	22,706	149,800	102,000	52,130	1,570,428

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(iii) Amortisation charge has been included in other operating expenses.

(iv) The recoverable amounts of the goodwill have been assessed based either on the fair value of the cash-generating units determined by external valuers at June 30, 2022 or on the basis of expected cash flows. The fair value of some of the cash generating units was determined on the basis of capitalisation of earnings whereby a multiple is applied to the investee's adjusted pro-forma earnings. The fair value of other cash generating units was determined on the basis of expected future cash flows from latest management forecasts which were extrapolated on the basis of long term revenue growth rates and assumptions with regard to margin development and discounted for the capital costs of business unit. Following this exercise, impairment of Rs.nil (2021: Rs.8.8m) was recognised during the year due to decline in performance of some subsidiaries.

(v) Land conversion rights have been tested for impairment and no impairment has been noted.

(vi) Management recognises that the speed of technological change has resulted in an impairment of computer software amounting to Rs.20k (2021: Rs.10,584k).

(vii) Bank borrowings are secured on some of the group's intangible assets. Please refer to note 22 for further details.

(c) **Impairment test**

The recoverable amounts for the cash generating units were based on their value in use, determined by discounting the generated future five year cash flows as approved by management. In 2021, the recoverable amounts of the cash generating units were determined to be lower than their carrying amounts and an impairment loss of goodwill amounting to Rs.8.8m following the current context of COVID-19. No impairment has been recognised in 2022. The key assumptions used in the estimation of value in use and recoverable amounts are based on management's past experience of the served markets in which the group operates with a view to maintain market share. 'In 2021, the prevailing economic and market conditions, associated with COVID-19 pandemic, have brought significant uncertainty and adverse impact on recoverable amounts of a subsidiary company, BlueSky Reunion S.A.S'. The recoverable amounts of the cash generating units at June 30, 2021 were Rs.(24.5m) and have been determined based on their value in use, by discounting the approved generated future five year cash flows.The group has therefore fully impaired its goodwill on acquisition amounting to Rs.8.8m.

The assumptions used for the value-in-use calculations are as follows:	THE GROUP	
	2022	2021
Fintech - Corporate Services	**%**	%
Discount rate	**10.7 - 13.1**	13.1
Budgeted EBITDA growth rate (average over next five years)	**3.3**	17.4
Fintech - Technology Services		
Discount rate	**13.8**	9.8
Budgeted EBITDA growth rate (average over next five years)	**3.3**	18.5
Hospitality - Hotels		
Discount rate	**10.4**	13
Budgeted EBITDA growth rate (average over next five years)	**3.3**	135.7
Hospitality - Leisure		
Discount rate	**11.8**	6.6
Budgeted EBITDA growth rate (average over next five years)	**3.3**	2
Hospitality - Travel		
Discount rate	**10.3**	13.3
Budgeted EBITDA growth rate (average over next five years)	**3.3**	31.0
Logistics		
Discount rate	**8.8 - 16.6**	10.5
Budgeted EBITDA growth rate (average over next five years)	**3.3**	13.5

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

8. INTANGIBLE ASSETS (CONT'D)

(c) **Impairment test (cont'd)**

A five-year cash flow forecast is used and terminal value growth rate is assumed to be nil for the purpose of goodwill impairment tests.

The discount rate was a pre-tax measure estimated based on the rate of 10-year government bonds issued by the Government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the risk of investing in equities generally and the systematic risk of the specific Cash Generating Unit. The risk for each foreign country has been considered and the discount factor from the foreign subsidiaries were not materially different to that of the local subsidiaries.

Forecasted EBITDA has been based on the expectation of future outcomes adjusted for revenue growth and cost containment measures.

The discount rate has been adjusted to reflect the current market assessment of the risks specific to the group and was estimated based on the weighted average cost of capital for the group. This rate was further adjusted to reflect the market assessment of risks specific to the group for which future estimates of cash flows have not been adjusted. Further changes to the discount rate may be necessary in the future to reflect changing risks for the industry and changes to the weighted average cost of capital.

Growth rates are based on the current economic outlook. However, given the economic uncertainty, reductions in growth estimates may be necessary in the future.

(d) THE COMPANY

(i) **2022**	Computer software	Land conversion rights	Total
	Rs'000	Rs'000	Rs'000
COST			
At July 1, & June 30,	**3,873**	**311,528**	**315,401**
AMORTISATION			
At July 1, & June 30,	**3,873**	**-**	**3,873**
NET BOOK VALUES			
At June 30,	**-**	**311,528**	**311,528**

(ii) 2021			
COST			
At July 1,	3,873	257,577	261,450
Additions	-	53,951	53,951
At June 30,	3,873	311,528	315,401
AMORTISATION			
At July 1,	3,872	-	3,872
Charge for the year	1	-	1
At June 30,	3,873	-	3,873
NET BOOK VALUES			
At June 30,	-	311,528	311,528

(e) **Critical accounting estimates**

Estimated impairment of goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For the purpose of testing impairment on acquired goodwill, the recoverable amount of each CGUs were estimated using discounted cash flows. The impairment assessment and the calculation of the recoverable amount is subject to significant management judgement and estimation which includes the selection of the appropriate impairment model to be used, determination of the expected future cash flows from the businesses, setting appropriate terminal growth rates, selection of the appropriate discount rate.

Other intangibles assets

There have been no change in the assessment of an intangible asset's useful life, the amortisation method and residual values.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) **Accounting policy**

Separate financial statements of the investor

Investments in subsidiary companies are carried at fair value. The carrying amount is adjusted to recognise any fluctuation in the value of the individual investments.

Consolidated financial statements

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when it is exposed, 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. Subsidiaries are consolidated from the date control is transferred to the group and de-consolidated from the date that control ceases.

The acquisition method is used to account for business combinations by the group. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration 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 value on acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation. The accounting policies of subsidiary companies have been amended where necessary to ensure consistency with the policies adopted by the group.

Foreign subsidiaries

On consolidation, the assets and liabilities of the group's overseas entities are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences, if any, are classified as other comprehensive income. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Transactions with non-controlling interests

The group accounts for transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiary companies

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. Amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Capital reduction

When a subsidiary company reduces its share capital without affecting the shareholding interest, it is accounted for as a disposal of share. The profit/(loss) on the capital reduction is accounted for in the statement of profit or loss and the difference between the carrying amount and the cost is transferred from revaluation reserve to retained earnings.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) THE COMPANY

(i)	Official Market	Unquoted	Total
2022	Rs'000	Rs'000	Rs'000
At July 1,	**517,899**	**13,800,652**	**14,318,551**
Additions	**-**	**492,860**	**492,860**
Capital reduction*	**-**	**(68,241)**	**(68,241)**
Fair value adjustments	**445,800**	**4,137,740**	**4,583,540**
At June 30,	**963,699**	**18,363,011**	**19,326,710**
2021			
At July 1,	457,779	13,203,541	13,661,320
Additions	-	147,251	147,251
Capital reduction	-	(489,792)	(489,792)
Fair value adjustments	60,120	939,652	999,772
At June 30,	517,899	13,800,652	14,318,551

* During the year, a wholly subsidiary company reduced (through a share buy back) the number shares in issue, thus resulting in a decrease in its stated capital. For the consolidated financial statements, there was no change in the equity interests held by the parent or the non-controlling interest as a result on the reduction in number of shares. For the separate financial statements, the carrying amount of the shares bought back (amounting to Rs.68,241k) has been deducted from the company's total investments, resulting in a profit of Rs.6,759k which has been recognised in the statement of profit or loss.

The fair value of investments in subsidiary companies was determined at June 30, 2022 by qualified independent professional valuers. The valuation was based on a combination of adjusted net assets, discounted cash flow basis and capitalised earnings. This did not result in any loss of control.

(c) Investments included in level 1 comprise of quoted equity investments valued using market approach. Investments classified under the official market above have been fair valued using the sum of parts method, thus classified under level 3. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

(d) The company's investments in subsidiary companies are categorised as follows:

	2022	2021
	Rs'000	Rs'000
Level 3	**19,326,710**	14,318,551

The movement in level 3 instruments for the year ended June 30, 2022 and 2021 is disclosed in the note b(i) above.

(i) The table below sets out information about significant unobservable inputs used at June 30, 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

2022 & 2021	Valuation technique	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
Investments in subsidiary companies	Discounted cash flow	Discount rate	6.90% - 8.10% (2021: 9.11% - 16.39%)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
	EBITDA multiple	Multiple	15.90x (2021: 3.7x - 14.6x)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
		Discount rate	12% (2021: 11.15% - 45%)	The estimated fair value would increase/ (decrease) if discount were lower/ (higher).
	Net asset value	Net asset value per share	Rs.0.05 - Rs.1.56 (2021: Rs.0.91 - 1.54) per share	The estimated fair value would increase/ (decrease) if discount were lower/ (higher).

A quantitative sensitivity analysis is shown below for the discount rate which are the unobservable inputs that management consider to be most significant.

Discount rate

Increase of 0.5% in discount rate would decrease fair value gain by Rs.86.46m (2021: Rs.42.49m)

Decrease of 0.5% in discount rate would increase fair value gain by Rs.94.86m (2021: Rs.42.49m)

Net asset value per share

Increase of 0.5% in net asset value would decrease fair value gain by Rs.87.23m (2021: Rs.29.10m)

Decrease of 0.5% in net asset value would increase fair value gain by Rs.95.68m (2021: Rs.29.10m)

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FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2022 and 2021 were as follows:

Name of company	2022	Proportion of ownership interest				2021	Proportion of ownership interest				
	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
Corporate office:	**Rs'000**	**%**	**%**	**%**	**%**	Rs'000	%	%	%	%	
ENL Foundation	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	CSR
ENL Corporate Services Limited	**5,500**	**100.00**	**-**	**100.00**	**-**	5,500	100.00	-	100.00	-	Service provider
Turbine Incubator Limited	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Business incubator (non-profit making company)
Land and investments:											
Ecoasis Energy Solutions Ltd (i)	**41,010**	**50.10**	**-**	**50.10**	**49.90**	-	-	-	-	-	Import and export services
Ecoasis Mechanical Works Ltd (i)	**10**	**-**	**80.00**	**40.08**	**59.92**	-	-	-	-	-	Job Contractor
Ecoasis Technical Services Ltd (i)	**10**	**-**	**80.00**	**40.08**	**59.92**	-	-	-	-	-	Job Contractor
ENL Corporate Ventures Limited	**133,208**	**100.00**	**-**	**100.00**	**-**	133,208	100.00	-	100.00	-	Corporate venture fund
ENL Secretarial Services Ltd	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Service provider
ENL Rê Limited (i)	**10**	**100.00**	**-**	**100.00**	**-**	-	-	-	-	-	Investment holding
Envolt Ltd	**50,501**	**100.00**	**-**	**100.00**	**-**	50,501	100.00	-	100.00	-	Producer of electricity
Rogers Corporate Services Ltd	**357,543**	**-**	**59.73**	**59.73**	**40.27**	357,543	-	59.73	59.73	40.27	Dormant
Rogers & Co Ltd	**252,000**	**6.73**	**53.00**	**59.73**	**40.27**	252,000	6.73	53.00	59.73	40.27	Investment holding
Rogers Consolidated Shareholding Limited	**16,860**	**100.00**	**-**	**100.00**	**-**	16,860	100.00	-	100.00	-	Investment holding
Societé Reunion	**8,620**	**100.00**	**-**	**100.00**	**-**	8,620	100.00	-	100.00	-	Investment holding
Tambourissa Limited	**581,152**	**100.00**	**-**	**100.00**	**-**	581,152	100.00	-	100.00	-	Investment holding
FinTech:											
Rogers Capital Fin Ltd (Previously Cheribinny Limited)	**45,947**	**-**	**100.00**	**49.66**	**50.34**	45,947	-	100.00	58.84	41.16	Consumer finance
Rogers Capital Nominee 2 Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business
Rogers Capital City Executives Ltd (ii)	**50**	**-**	**100.00**	**49.66**	**50.34**	50	-	100.00	58.84	41.16	Global business
Rogers Capital Outsourcing Ltd (ii)	**15,000**	**-**	**100.00**	**49.66**	**50.34**	15,000	-	100.00	58.84	41.16	IT services
Rogers Capital Tax Specialist Services Ltd (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	15,977	-	100.00	58.84	41.16	IT services
Rogers Capital Technology Services Ltd (ii)	**15,977**	**-**	**100.00**	**49.66**	**50.34**	15,977	-	100.00	58.84	41.16	IT services
Rogers Capital Accounting Services Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business
Rogers Capital Business Services Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business
Rogers Capital Corporate Services (Singapore) Pte Ltd (ii)	**238**	**-**	**100.00**	**49.66**	**50.34**	238	-	100.00	58.84	41.16	Global business
Rogers Capital Corporate Services (Seychelles) Ltd (ii)	**404**	**-**	**100.00**	**49.66**	**50.34**	404	-	100.00	58.84	41.16	Global business
Rogers Capital Corporate Services Ltd (ii)	**782**	**-**	**100.00**	**49.66**	**50.34**	782	-	100.00	58.84	41.16	Global business
Rogers Capital Finance Ltd (ii) & (iv)	**750,020**	**-**	**100.00**	**49.66**	**50.34**	600,020	-	100.00	58.84	41.16	Dormant
Rogers Capital Nominee Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business
Rogers Capital Fund Services Ltd (ii)	**527**	**-**	**100.00**	**49.66**	**50.34**	527	-	100.00	58.84	41.16	Global business
Rogers Capital Nominee 1 Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business
Rogers Capital Captive Insurance Management Services Ltd (ii)	**2,215**	**-**	**100.00**	**49.66**	**50.34**	2,215	-	100.00	58.84	41.16	Global business
Rogers Capital Specialist Services Ltd (ii)	**100**	**-**	**100.00**	**49.66**	**50.34**	100	-	100.00	58.84	41.16	Global business
Rcap Executives Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	100	-	100.00	58.84	41.16	Global business
River Court Nominees Limited (ii)	**100**	**-**	**100.00**	**49.66**	**50.34**	100	-	100.00	58.84	41.16	Global business
Rogers Capital Payroll Services Ltd (ii)	**10**	**-**	**100.00**	**49.66**	**50.34**	10	-	100.00	58.84	41.16	Payroll services
Rogers Capital Trustees Services Ltd (ii)	**1,400**	**-**	**100.00**	**49.66**	**50.34**	1,400	-	100.00	58.84	41.16	Global business
Rogers Capital Investment Advisors Ltd (ii)	**11,000**	**-**	**100.00**	**49.66**	**50.34**	11,000	-	100.00	58.84	41.16	Asset management
Rogers Capital Ltd (ii)	**999,759**	**14.90**	**69.00**	**49.66**	**50.34**	999,759	17.66	69.00	58.84	41.16	Investment holding
Globefin Corporate Services Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Global business

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YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2022 and 2021 were as follows (cont'd):

Name of company	2022 Stated capital	2022 Proportion of ownership interest: Holding company	2022 Proportion of ownership interest: Subsidiary companies	2022 Effective holding	2022 Non-controlling interests	2021 Stated capital	2021 Proportion of ownership interest: Holding company	2021 Proportion of ownership interest: Subsidiary companies	2021 Effective holding	2021 Non-controlling interests	Main business
FinTech: (cont'd)	**Rs'000**	**%**	**%**	**%**	**%**	Rs'000	%	%	%	%	
Globefin Nominee Ltd (ii)	**11**	**-**	**100.00**	**49.66**	**50.34**	11	-	100.00	58.84	41.16	Global business
Rogers Capital Management Services Ltd (ii)	**601**	**-**	**100.00**	**49.66**	**50.34**	601	-	100.00	58.84	41.16	Investment
Rogers Capital Payment Solutions Ltd (ii) & (iii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	58.84	41.16	Payment Solutions
Tagada Ltd	**5,000**	**65.00**	**20.91**	**85.91**	**14.09**	5,000	65.00	20.91	85.91	14.09	IT services
Commerce and industry:											
Axess Limited	**277,072**	**-**	**100.00**	**100.00**	**-**	277,072	-	100.00	100.00	-	Sale and servicing of motor vehicles
Commercial Investment Property Fund Limited	**162,480**	**-**	**100.00**	**100.00**	**-**	162,480	-	100.00	100.00	-	Owner of properties
ENL Commercial Limited	**1,396,341**	**100.00**	**-**	**100.00**	**-**	1,396,341	100.00	-	100.00	-	Investment holding
Ensport Ltd	**50,000**	**-**	**100.00**	**100.00**	**-**	50,000	-	100.00	100.00	-	Sale of sport related goods
Grewals (Mauritius) Limited	**165,595**	**-**	**100.00**	**100.00**	**-**	165,595	-	100.00	100.00	-	Saw millers and timber merchants
Nabridas International Ltd	**100**	**-**	**100.00**	**100.00**	**-**	100	-	100.00	100.00	-	Dealer in swimming pools
Nabridas Ltd	**26,750**	**-**	**100.00**	**100.00**	**-**	26,750	-	100.00	100.00	-	Producer and dealer in swimming pools
Plastinax Austral Limitée	**189,467**	**-**	**99.40**	**99.40**	**0.60**	189,467	-	99.40	99.40	0.60	Manufacture of sunglasses
Joinery and Metal Distribution International Ltd	**10,500**	**-**	**75.76**	**75.76**	**24.24**	10,500	-	75.76	75.76	24.24	Distributor of aluminium products
Suntricity Company Limited (i)	**4,000**	**-**	**75.00**	**75.00**	**25.00**	-	-	-	-	-	Rental of equipment and machinery
Logistics:											
Associated Container Services Ltd (ii)	**93,877**	**-**	**100.00**	**48.38**	**51.62**	93,877	-	100.00	39.15	60.85	Port related services
Cargo Express Madagascar S.A.R.L (ii)	**168**	**-**	**100.00**	**48.38**	**51.62**	168	-	100.00	39.56	60.44	Freight forwarding
Express Logistics Solutions Ltd (ii)	**1**	**-**	**100.00**	**48.38**	**51.62**	1	-	100.00	39.56	60.44	Dormant
FOM Warehouse Ltd (ii)	**100**	**-**	**96.00**	**48.38**	**51.62**	100	-	96.00	19.91	80.09	Port related services
Freeport Operations (Mtius)Ltd (ii)	**178,429**	**-**	**100.00**	**47.78**	**52.22**	178,429	-	100.00	39.15	60.85	Port related services
General Cargo Services Limited (ii)	**889**	**-**	**100.00**	**47.66**	**52.34**	889	-	100.00	20.18	79.82	Port related services
Gencargo (Transport) Limited (ii) & (iv)	**1,463**	**-**	**100.00**	**48.38**	**51.62**	1,422	-	100.00	20.18	79.82	Transport services
Global Air Cargo Services Ltd (ii)	**433**	**-**	**50.00**	**24.19**	**75.81**	433	-	50.00	39.72	60.28	Freight forwarding
Logistics Solution Ltd (ii)	**525,690**	**-**	**100.00**	**48.50**	**51.50**	525,690	-	100.00	39.15	60.85	Investment holding
MTL Logistics & Distributions Ltd	**1,688**	**-**	**100.00**	**39.15**	**60.85**	1,688	-	100.00	39.15	60.85	Transport company
P.A.P.O.L.C.S. Ltd (ii)	**100**	**-**	**80.00**	**23.23**	**76.77**	100	-	80.00	18.99	81.01	Stevedoring
Papol Holding Limited (ii)	**100**	**-**	**60.00**	**29.03**	**70.97**	100	-	60.00	23.74	76.26	Investment holding
Rogers International Distribution Services Limitada (vi)	**-**	**-**	**-**	**-**	**-**	39,493	-	100.00	39.56	60.44	Freight forwarding
Rogers International Distribution Services S.A	**-**	**-**	**-**	**-**	**-**	1,790	-	100.00	39.56	60.44	Freight forwarding
Rogers International Distribution Services S.A.R.L	**-**	**-**	**-**	**-**	**-**	8		100.00	39.56	60.44	Freight forwarding
Rogers Logistics International Ltd (ii)	**156,352**	**-**	**100.00**	**48.38**	**51.62**	156,352	-	100.00	39.56	60.44	Freight forwarding
Rogers Logistics Investment Holding Ltd (ii) & (iii)	**-**	**-**	**100.00**	**59.73**	**40.27**	-	-	100.00	41.21	58.79	Investment holding
Rogers Logistics Services Company Ltd (ii)	**100**	**-**	**100.00**	**48.38**	**51.62**	100	-	100.00	39.56	60.44	Freight forwarding
Rogers Shipping Ltd (ii)	**721**	**-**	**100.00**	**33.21**	**66.79**	721	-	100.00	27.15	72.85	Freight forwarding
Rogers Shipping Pte Ltd (ii)	**3**	**-**	**51.00**	**24.67**	**75.33**	3	-	51.00	20.18	79.82	Shipping agency
Southern Marine & Co Ltd (ii)	**500**	**-**	**100.00**	**33.21**	**66.79**	500	-	100.00	27.15	72.85	Shipping services
Sukpak Ltd (ii)	**1,200**	**-**	**70.00**	**33.87**	**66.13**	1,200	-	70.00	27.69	72.31	Packing of special sugars
Rennel Limited	**9,900**	**-**	**100.00**	**100.00**	**-**	9,900	-	100.00	100.00	-	Courier service
Freight Link Limited	**1,001**	**-**	**100.00**	**100.00**	**-**	1,001	-	100.00	100.00	-	Courier service
Thermoil Company Ltd (vi)	**-**	**-**	**-**	**-**	**-**	100	-	78.00	46.59	53.41	Bitumen agency
Transworld International Ltd	**25**	**-**	**100.00**	**39.56**	**60.44**	25	-	100.00	39.56	60.44	Dormant
Velogic Express Reunion (ii)	**8,341**	**-**	**100.00**	**48.38**	**51.62**	8,341	-	100.00	39.56	60.44	Courier
Velogic Garage Services Ltd (ii)	**10,999**	**-**	**100.00**	**48.38**	**51.62**	10,999	-	100.00	39.15	60.85	Transport company

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YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2022 and 2021 were as follows (cont'd):

Name of company	2022 Stated capital	2022 Proportion of ownership interest: Holding company	2022 Proportion of ownership interest: Subsidiary companies	2022 Effective holding	2022 Non-controlling interests	2021 Stated capital	2021 Proportion of ownership interest: Holding company	2021 Proportion of ownership interest: Subsidiary companies	2021 Effective holding	2021 Non-controlling interests	Main business
Logistics (cont'd):	**Rs'000**	**%**	**%**	**%**	**%**	Rs'000	%	%	%	%	
Velogic Haulage Services Ltd (ii)	**31,514**	**-**	**100.00**	**48.38**	**51.62**	31,514	-	100.00	39.15	60.85	Transport services
Velogic Holding Company Ltd (ii)	**1,019,294**	**-**	**66.20**	**48.38**	**51.62**	1,019,294	-	66.20	39.56	60.44	Investment holding
Velogic India Private Ltd (ii)	**11,156**	**-**	**100.00**	**48.38**	**51.62**	11,156	-	100.00	39.56	60.44	Freight forwarding
Velogic Ltd (ii)	**83,985**	**-**	**100.00**	**48.38**	**51.62**	83,985	-	100.00	39.56	60.44	Freight forwarding
Velogic Sea Frigo R'Frigo S.A (ii)	**4,085**	**-**	**100.00**	**48.38**	**51.62**	4,085	-	100.00	39.56	60.44	Freight forwarding
VK Logistics Ltd (ii)	**163,814**	**-**	**51.00**	**48.38**	**51.62**	163,814	-	51.00	20.18	79.82	Investment holding
Hospitality:											
Adnarev Ltd	**76,464**	**-**	**100.00**	**41.02**	**58.98**	76,464	-	100.00	41.02	58.98	Hotel
Ario (Seychelles) Ltd	**47**	**-**	**100.00**	**59.73**	**40.27**	47	-	100.00	59.73	40.27	GSA of airlines
BEAVIA Kenya Limited	**35**	**-**	**70.00**	**41.81**	**58.19**	35	-	70.00	41.81	58.19	Travel agency
Bel Ombre Seashells Co Ltd	**1**	**-**	**100.00**	**41.03**	**58.97**	1	-	100.00	41.03	58.97	Seashell museum
Blue Alize Ltd (iii)	**-**	**-**	**80.00**	**32.81**	**67.19**	-	-	80.00	32.81	67.19	Catamaran sightseeing tours
Blue Sky Madagascar SARLU	**1,080**	**-**	**100.00**	**59.73**	**40.27**	1,080	-	100.00	59.73	40.27	Travel agency
Blue Sky Réunion SAS	**5,513**	**-**	**100.00**	**59.73**	**40.27**	5,513	-	100.00	59.73	40.27	Travel agency
BookSimply Ltd	**1**	**-**	**100.00**	**41.03**	**58.97**	1	-	100.00	41.03	58.97	Reservation of leisure activities
Border Air Ltd (vi)	**-**	**-**	**-**	**-**	**-**	-	-	100.00	59.73	40.27	GSA of airlines
BS Travel Management Limitada	**216**	**-**	**100.00**	**59.73**	**40.27**	216	-	100.00	59.73	40.27	GSA of airlines
BS Travel Management Ltd	**25,000**	**-**	**100.00**	**59.73**	**40.27**	25,000	-	100.00	59.73	40.27	Travel agency
BS Travel Mayotte		**-**	**100.00**	**59.73**	**40.27**		-	100.00	59.73	40.27	Travel agency
Croisières Australes Ltée	**3,225**	**-**	**100.00**	**41.02**	**58.98**	3,225	-	100.00	41.02	58.98	Catamaran sightseeing tours
DOMC Ltd (iv)	**120,300**	**-**	**40.00**	**20.16**	**79.84**	80,400	-	40.00	20.16	79.84	Leisure
Cap D'Abondance Ltd (iv)	**22,000**	**-**	**100.00**	**41.02**	**58.98**	13,000	-	100.00	41.02	58.98	Leisure
Heritage Events Company Limited	**100**	**-**	**100.00**	**41.02**	**58.98**	100	-	100.00	41.02	58.98	Investment holding
Heritage Golf Club Ltd	**310,350**	**-**	**100.00**	**59.73**	**40.27**	310,350	-	100.00	59.73	40.27	Golf course
Heritage Golf Management Ltd	**500**	**-**	**75.00**	**29.64**	**70.36**	500	-	75.00	29.64	70.36	Golf management
Hotels Operations Company Ltd	**10**	**-**	**100.00**	**41.02**	**58.98**	10	-	100.00	41.02	58.98	Hotels operations
Restaurants Operations Company Ltd	**10**	**-**	**100.00**	**41.02**	**58.98**	10	-	100.00	41.02	58.98	Restaurants operations
Island Holidays (ii) & (iii)	**-**	**-**	**100.00**	**59.73**	**40.27**	-	-	-	-	-	Online tour operating
Islandian Ltd (vi)	**-**	**-**	**-**	**-**	**-**	70,094	-	97.60	58.30	41.70	Online tour operating
Islandian SARL (ii)	**461**	**-**	**62.20**	**37.15**	**62.85**	461	-	90.50	54.06	45.94	Online tour operating
La Place du Village Limited (i)	**1**	**-**	**100.00**	**100.00**	**-**	-	-	-	-	-	Restaurant operator
Plaisance Air Transport Services Ltd	**1,500**	**-**	**100.00**	**59.73**	**40.27**	1,500	-	100.00	59.73	40.27	Warehousing
Resaplanet Ltd	**19,094**	**-**	**90.50**	**54.06**	**45.94**	19,094	-	90.50	54.06	45.94	Online tour operating
Rogers Aviation (Mauritius) Ltd	**2,525**	**-**	**100.00**	**59.73**	**40.27**	2,525	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Comores S.A.R.L	**824**	**-**	**100.00**	**59.73**	**40.27**	824	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation France S.A.R.L	**20,760**	**-**	**100.00**	**59.73**	**40.27**	20,760	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Holding Company Ltd	**115,410**	**-**	**100.00**	**59.73**	**40.27**	115,410	-	100.00	59.73	40.27	Investment holding
Rogers Aviation International Ltd	**51,390**	**-**	**100.00**	**59.73**	**40.27**	51,390	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Kenya Ltd	**396**	**-**	**100.00**	**59.73**	**40.27**	396	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Madagascar S.A.R.L	**1,910**	**-**	**100.00**	**59.73**	**40.27**	1,910	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Mayotte S.A.R.L	**490**	**-**	**100.00**	**59.73**	**40.27**	490	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Mozambique Limitada (iv)	**4,349**	**-**	**100.00**	**59.73**	**40.27**	54	-	100.00	59.73	40.27	GSA of airlines

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2022 and 2021 were as follows (cont'd):

Name of company	2022 Proportion of ownership interest					2021 Proportion of ownership interest					
	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Hospitality (cont'd):											
Case Noyale Ltée	7	-	53.60	22.30	77.70	7	-	53.60	22.30	77.70	Agriculture and leisure
Rogers Aviation Reunion S.A.R.L	20,001	-	100.00	59.73	40.27	20,001	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Senegal S.A.R.L (iii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	GSA of airlines, travel agency and tour operator
Rogers Aviation South Africa (PTY) Ltd (iii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	GSA of airlines
Rogers Hospitality Group Ltd	1	-	-	41.03	58.97	1	-	-	41.03	58.97	Reservation of leisure activities
Rogers Hospitality Management Co Ltd	1	-	100.00	41.03	58.97	1	-	100.00	41.03	58.97	Management company
Rogers Hospitality Property Fund Ltd	1	-	100.00	41.03	58.97	1	-	100.00	41.03	58.97	Seashell museum
Rogers Hospitality Training Ltd	1,015	-	100.00	41.03	58.97	1,015	-	100.00	41.03	58.97	Training
Run Tourisme	5,503	-	100.00	41.03	58.97	5,503	-	100.00	41.03	58.97	Travel Agency
Seven Colours Spa Ltd	20,025	-	100.00	42.35	57.65	20,025	-	100.00	42.35	57.65	Management services
Sports-Event Management Operation Co Ltd	7,501	-	100.00	27.71	72.29	7,501	-	100.00	27.71	72.29	Leisure
Sweetwater Ltd (ii) & (iv)	17,300	-	48.50	28.97	71.03	11,300	-	55.00	21.74	78.26	Leisure
Transcontinent S.A.R.L (ii)	617	-	70.80	42.29	57.71	617	-	66.60	40.02	59.98	Travel agency
Veranda Tamarin Ltd (ii)	210,000	-	48.60	29.03	70.97	210,000	-	50.00	20.16	79.84	Hotel
VLH Ltd	1,501,304	-	68.70	41.34	58.66	1,501,304	-	68.70	41.34	58.66	Hotel
VLH Training Ltd	1,015	-	100.00	42.35	57.65	1,015	-	100.00	42.35	57.65	Management services
Bagatelle Hotel Operations Company Limited (iv)	60,424	-	100.00	41.02	58.98	20,424	-	100.00	41.02	58.98	Provision of hotel and hospitality services
CCC LAH Limited	14,500	-	86.20	35.57	64.43	14,500	-	86.20	35.57	64.43	Restaurant operator
Island Living Ltd	213,382	-	100.00	41.02	58.98	213,382	-	100.00	41.02	58.98	Investment holding
Seafood Basket Limited	25,107	-	100.00	41.02	58.98	25,107	-	100.00	41.02	58.98	Restaurant operator
The Enabling Academy Limited	1	100.00	-	100.00	-	1	100.00	-	100.00	-	Training institution
Agro-industry:											
Agrex Limited	7,540	-	100.00	100.00	-	7,540	-	100.00	100.00	-	Sale of agro-supply products
Agria Ltd (formerly Cie. Sucrière de Bel Ombre Ltd)	33,300	-	53.50	22.19	77.81	33,300	-	53.50	22.19	77.81	Agriculture & investment
ENL Agri Ltd	479,741	100.00	-	100.00	-	479,741	100.00	-	100.00	-	Agricultural activities
Enquickfix Limited	1,201	-	100.00	100.00	-	1,201	-	100.00	100.00	-	Dormant
ESP Cleaning Ltd	10		100.00	100.00	-	10		100.00	100.00	-	Cleaning services
ESP Landscapers Ltd	10,000	-	100.00	100.00	-	10,000	-	100.00	100.00	-	Landscaping services
Exotiflors Limited	700	-	100.00	100.00	-	700	-	100.00	100.00	-	Dormant
Mon Desert Alma Sugar Milling Company Limited	83,934	-	80.00	80.00	20.00	83,934	-	80.00	80.00	20.00	Agricultural activities
Sygeco Limited	801	-	100.00	100.00	-	801	-	100.00	100.00	-	Provision of syndic services
Real estate:											
Ascencia Limited	4,460,068	-	61.00	46.45	53.55	4,460,068	-	61.00	46.45	53.55	Property Fund
Bagaprop Limited	1,252,101	-	100.00	46.45	53.55	1,252,101	-	100.00	46.45	53.55	Property
Enatt Ltd	74,790	19.71	37.10	56.80	43.20	74,790	19.71	37.10	56.80	43.20	Property and asset management
ENL Property Limited	4,907,999	100.00	-	100.00	-	4,907,999	100.00	-	100.00	-	Property development services
Foresite Property Holding Ltd	1,028,269	-	100.00	59.73	40.27	1,028,269	-	100.00	59.73	40.27	Property
FPHL Infra Ltd	27,531	-	80.27	80.27	19.73	27,531	-	80.27	80.27	19.73	Dormant

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(e) The list of the group's subsidiary companies at June 30, 2022 and 2021 were as follows (cont'd):

Name of company	2022 Proportion of ownership interest					2021 Proportion of ownership interest					
	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
Real estate (cont'd):	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Les Villas de Bel Ombre Amenities Ltd	35	-	100.00	53.65	46.35	35	-	100.00	53.65	46.35	Construction of sports complex and beach club for IRS home owners association
Le Floreal Commercial Centre Limited	324,000	-	100.00	46.45	53.55	324,000	-	100.00	46.45	53.55	Property
Les Villas de Bel Ombre Ltée	291,135	40.00	60.00	53.35	46.65	291,135	40.00	60.00	53.35	46.65	Construction and sale of villas
Moka City Limited	4,408,940	-	63.67	63.67	36.33	4,408,940	-	63.67	63.67	36.33	Land and property developer
Moka Smart City Management Ltd	1	-	63.67	63.67	36.33	1	-	63.67	63.67	36.33	Land and property developer
Motor Traders Ltd	700	-	100.00	59.73	40.27	700	-	100.00	59.73	40.27	Property
Reliance Facilities Ltd (iii)	-	-	-	-	-	-	-	-	-	-	Dormant
Reliance Security Services Ltd (iii)	-	-	-	-	-	-	-	-	-	-	Dormant
Reliance Systems Ltd (iii)	-	-	-	-	-	-	-	-	-	-	Dormant
S&W Synergy Limited (ii)	41,911	34.88	53.49	68.94	31.06	41,911	34.88	53.50	69.96	30.04	Management of sports complex
Savannah Land Development Ltd (i)	1	-	100.00	100.00	-						Land and property developer
Savannah Properties Ltd	1	100.00	-	100.00	-	1	100.00	-	100.00	-	Land and property developer
Savannah Smart City Limited (i)	1	-	100.00	100.00	-	-	-	-	-	-	Land and property developer
Societé Du Courlis (iii)	-	100.00	-	100.00	-	-	100.00	-	100.00	-	Rental of bungalows
South West Tourism Development Co. Ltd	4,950	-	68.90	41.12	58.88	4,950	-	68.90	41.12	58.88	Investment holding
Oficea Company Limited	1,055,371	1.99	77.55	79.54	20.46	1,055,371	1.99	77.55	79.54	20.46	Rental of offices
Oficea Workspitality Ltd	2,000	-	79.54	79.54	20.46	2,000	-	79.54	79.54	20.46	Rental of offices
Villas Valriche Resorts Ltd	1	-	100.00	32.19	67.81	1	-	100.00	32.19	67.81	Rental pool management company
Courchamps Development Limited (ii)	199,735	-	100.00	100.00	-	199,735	-	66.50	66.50	33.50	Property
Courchamps Properties Limited	495,000	-	100.00	100.00	-	495,000	-	100.00	100.00	-	Property
Moka Residentiel Limited	40,000	-	100.00	100.00	-	40,000	-	100.00	100.00	-	Property
SB Cattle Ltd	21,000	100.00	-	100.00	-	21,000	100.00	-	100.00	-	Farming
The Beau Vallon Shopping Mall Limited (ii)	208,400	-	36.10	46.41	53.59	208,400	-	100.00	51.62	48.38	Property
Terroirs Mauricien Ltd	1	-	100.00	22.28	77.72	-	-	100.00	22.28	77.72	Sale of agricultural products
Telfair Apartments Limited (i)	1	-	100.00	67.00	33.00	-	-	-	-	-	Property
Telfair Square Limited (ii)	116,001	-	100.00	79.54	20.46	116,001	-	100.00	65.84	34.16	Property
Gros Bois Development Limited	180,001	-	100.00	100.00	-	180,001	-	100.00	100.00	-	Property

Ordinary shares are issued by the above subsidiaries and their statutory reporting date is June 30, 2022. For subsidiary companies which have an effective holding % of less than 50%, refer to note 4.1 on judgement for more details.

Bank borrowings are secured on some of the group's investments. Refer to note 22 for further details.

(i) These are new subsidiaries of the group.
(ii) Change in shareholding did not result in change in control for these subsidiaries.
(iii) The stated capital of these companies are less than Rs.1,000 and has been rounded to the nearest Rs'000.
(iv) These companies have issued additional shares during the year.
(v) These subsidiary companies have been disposed during the year.
(vi) During the year under review, Border Air Ltd has been amalgamated into Rogers Aviation South Africa (Pty) Ltd, Islandian Ltd into Rogers Aviation International Ltd, Rogers International Distribution Services Limitda into Rogers Aviation Mozambique Limitada and Thermoil Company Ltd into Rogers Corporate Services Ltd. The amalgamated companies were dormant, with immaterial net assets value.

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FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) During the year, the group effected the following changes in proportion of effective ownership interests in subsidiaries that do not result in a loss of control. The net impact of these changes in shareholding resulted in a decrease of Rs.7.6m in revaluation reserves and retained earnings and a decrease of Rs.569.4m in non-controlling interests.

(i) **FinTech**

Rogers Capital Ltd – Issue of ordinary shares to Swan Life Limited

On February 4, 2022, Rogers Capital Ltd, a subsidiary company, issued 18,264,840 ordinary shares to Swan Life Limited for a total consideration of Rs.200m. This has resulted in consolidating Rogers Capital Ltd using an effective stake of 58.17% instead of 68.95%.The net impact of these changes in shareholding resulted in an increase of Rs.133m on retained earnings and a decrease of Rs.133m in non-controlling interests.

(ii) **Logistics**

Acquisition of remaining 49% stake in VK Logistics Ltd

On October 31, 2021, Rogers Logistics International Ltd, a subsidiary company, acquired the remaining 49% stake in VK Logistics Ltd for a total consideration of Rs.257m. This has resulted in consolidating VK Logistics Ltd using an effective stake of 66.23% compared to 33.78%. The net impact of these changes in shareholding resulted in a decrease of Rs.55m on retained earnings and a decrease of Rs.186m in non-controlling interests.

Acquisition of 14.8% stake in Velogic Holding Company Ltd ("Velogic")

On December 16, 2021, Rogers Capital Payment Solutions Ltd, a subsidiary company, acquired a 14.8% stake in Velogic for a total consideration of Rs.348m, financed through a bond issue. This has resulted in consolidating Velogic using an effective stake of 81.02% compared to 66.23%.The net impact of these changes in shareholding resulted in a decrease of Rs.208m on retained earnings and a decrease of Rs.157m in non-controlling interests.

(iii) **Hospitality**

Veranda Tamarin Ltd.- Issue of ordinary shares and preference shares to Rogers Hospitality Operations Ltd

On May 16, 2022, Veranda Tamarin Ltd, a subsidiary company issued 101,135 ordinary shares and 40,454 preference shares with voting rights to Rogers Hospitality Operations Ltd for a total consideration of Rs.105m. This has resulted in consolidating Veranda Tamarin Ltd using an effective stake of 48.58% instead of 35.03%. The net impact of these changes in shareholding resulted in a decrease of Rs.34m on retained earnings and an increase of Rs.34m on non-controlling interests.

(iv) **Real estate**

The shareholding of S&W Synergy Limited, Courchamps Development Limited and Telfair Square Limited have changed due to re-structuring within the group.

Refer to note 32(e) for the change in the shareholding of The Beau Vallon Shopping Mall Limited.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(g) The above subsidiary companies are incorporated and operate in Mauritius, except for:

	Country of incorporation/ Place of business
Ario (Seychelles) Ltd	Republic of Seychelles
Border Air Ltd	Republic of South Africa
BS Madagascar SARLU	Republic of Malagasy
BS Travel Management Limitada	Republic of Mozambique
BS Travel Mayotte	Mayotte
BEAVIA Kenya Limited	Republic of Kenya
Blue Sky Réunion SAS	Reunion Island
Cargo Express Madagascar S.A.R.L.	Republic of Malagasy
Enterprise Information Systems Ltd (Kenya)	Republic of Kenya
Gencargo (Transport) Limited	Republic of Kenya
General Cargo Services Limited	Republic of Kenya
Islandian S.A.R.L	Reunion Island
Rogers Capital Corporate Services (Singapore) Pte Ltd	Republic of Singapore
Rogers Aviation Comores S.A.R.L.	Republic of Comores
Rogers Aviation France S.A.R.L.	Reunion Island
Rogers Aviation Kenya Ltd	Republic of Kenya
Rogers Aviation Madagascar S.A.R.L.	Republic of Malagasy
Rogers Aviation Mayotte S.A.R.L.	Mayotte
Rogers Aviation Mozambique Limitada	Republic of Mozambique
Rogers Aviation Senegal S.A.R.L.	Republic of Senegal
Rogers Aviation South Africa (Pty) Ltd	Republic of South Africa
Rogers Shipping Pte Ltd	Republic of Singapore
Transcontinent S.A.R.L.	Republic of Malagasy
Velogic Express Reunion	Reunion Island
Velogic India Private Ltd	Republic of India
Velogic Sea Frigo RTrigo SA	Reunion Island

(h) NON-CONTROLLING INTERESTS	**2022**	2021
	Rs'000	Rs'000
(i) **At June 30,**	**14,990,877**	14,533,455

(ii) **Subsidiary companies with material non-controlling interests**

Details of subsidiary companies that have non-controlling interests that are material to the entity are given below:

	Profit/(loss) allocated to non-controlling shareholders	Accumulated non-controlling interests at June 30,
	Rs'000	Rs'000
2022		
Rogers & Co Ltd	**1,190,825**	**15,233,958**
2021		
Rogers & Co Ltd	(72,251)	14,379,522

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non- controlling shareholders
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Rogers & Co Ltd	**6,866,800**	**36,837,500**	**8,431,100**	**13,540,200**	**9,744,600**	**1,776,000**	**751,100**	**2,527,100**	**307,800**
2021									
Rogers & Co Ltd	6,843,300	34,671,400	6,047,800	15,335,000	7,574,300	(614,300)	704,500	90,200	218,700

(ii) Summarised cash flow information:

	Operating activities	Investing activities	Financing activities	Net (decrease)/ increase in cash and cash equivalents
2022	Rs'000	Rs'000	Rs'000	Rs'000
Rogers & Co Ltd	**2,231,500**	**(1,404,800)**	**(897,500)**	**(70,800)**
2021				
Rogers & Co Ltd	773,900	(679,000)	1,315,500	1,410,400

The summarised financial information provided above is inclusive of intra-group transactions.

(j) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the group using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Control on subsidiary companies

For subsidiary companies which have an effective holding % of less than 50%, refer to note 4.1 on judgement for more details.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES

(a) **Accounting policy**

Separate financial statements of the investor

Investments in associated companies are carried at fair value.

Consolidated financial statements

An associated company is an entity over which the group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associated companies are accounted for under the equity method.

The group's investments in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Investments in associated companies are initially recognised at cost as adjusted for post acquisition changes in the group's share of the net assets of the associated companies less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the group's share of the net fair value of the associated company's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill and is included in the carrying amount of the investment. Any excess of the group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition is included in profit or loss.

Goodwill arising on the acquisition of a jointly controlled entity or an associate is included with the carrying amount of the jointly controlled entity or associate and tested annually for impairment.

When the group's share of losses exceeds its interest in an associated company, the group discontinues recognising further losses unless it has legal or constructive obligations or made payments on behalf of the associated company.

The results of associated companies acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interests in the associated company. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associated companies to bring the accounting policies used in line with those adopted by the group.

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

(b) THE GROUP	**2022**	2021
	Rs'000	Rs'000
At July 1,	**8,798,006**	8,674,545
Additions	**16,823**	21,850
Disposals	**-**	(212)
Share of results of associated companies	**554,635**	(804,163)
Share of other comprehensive income of associated companies	**992,309**	1,097,763
Dividend	**(164,434)**	(128,157)
Impairment*	**-**	(53,322)
Profit of disposal of land to an associated company	**-**	(13,700)
Other movements	**-**	3,402
At June 30,	**10,197,339**	8,798,006

* The recoverable amount has been determined using the net asset value of associated companies consisting primarily of receivables, payables and bank which are short term and approximate their fair values. Therefore, the net asset value represents the fair value less cost to sell. For some associated companies, a different valuation methodologies have been used to determine the value in use.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The group's interests in its associated companies are as follows:

			2022			2021			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	Country of incorporation	Holding company	Subsidiary companies	Effective holding	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	%	%	%	%	%	
Bioculture (Mauritius) Ltd	Dec 31,	Mauritius	**-**	**25.40**	**15.17**	-	25.40	15.17	Breeding and export of primates
Société CTEG (previously known as Charles Telfair Ltd)	June 30,	Mauritius	**8.70**	**17.50**	**18.29**	8.33	16.67	18.29	Tertiary education
Management and Development Company Limited	June 30,	Mauritius	**-**	**34.98**	**39.00**	-	34.98	39.00	Investment holding
Société Amstramdram	June 30,	Mauritius	**-**	**48.98**	**48.98**	-	48.98	48.98	Investment holding
Savannah International School Ltd (i)	June 30,	Mauritius	**-**	**30.00**	**30.00**	-	-	-	Education
Emerald (Mauritius) Ltd	June 30,	Mauritius	**50.00**	**-**	**50.00**	50.00	-	50.00	Dormant
Formation Recrutement et Conseil en Informatique Limitee	June 30,	Mauritius	**-**	**47.14**	**47.14**	-	47.14	47.14	Provider of IT services
Interex S.A.	June 30,	Madagascar	**-**	**50.00**	**50.00**	-	50.00	50.00	Courier services
Mauritian Commodities and Allied Services Company Ltd	Sep 30,	Mauritius	**-**	**25.60**	**15.29**	-	25.60	15.29	Coal supplier
Retail Lab Ltd	June 30,	Mauritius	**-**	**50.00**	**28.40**	-	50.00	28.40	Marketing activities
Sainte Marie Crushing Plant Ltd	June 30,	Mauritius	**-**	**8.80**	**5.26**	-	8.80	5.26	Manufacture and sale of building materials
Superdist Ltd	Dec 31,	Mauritius	**-**	**45.00**	**45.00**	-	45.00	45.00	IT hardware wholesaler
Building & Civil Engineering Co. Ltd	June 30,	Mauritius	**-**	**30.00**	**30.00**	-	30.00	30.00	Construction
B.R.E Ltd	June 30,	Mauritius	**-**	**29.79**	**29.79**	-	29.79	29.79	Property
Footfive Limited	June 30,	Mauritius	**-**	**25.00**	**25.00**	-	25.00	25.00	Rental of gymnasium
Le Morne Development Corporation Ltd	Sep 30,	Mauritius	**-**	**20.00**	**11.95**	-	20.00	11.95	Property
Semaris Limited	June 30,	Mauritius	**15.24**	**22.90**	**28.98**	15.24	22.90	28.98	Property

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The group's interests in its associated companies are as follows: (cont'd)

			2022			2021			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	Country of incorporation/ Place of business	Holding company	Subsidiary companies	Effective holding	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	%	%	%	%	%	
Air Cargo Service Madagascar Ltd	Dec 31,	Madagascar	**-**	**50.00**	**29.87**	-	50.00	29.87	Ground handling services
Blue Connect Ltd	Sep 30,	Mauritius	**-**	**30.00**	**17.92**	-	30.00	17.92	Business process outsourcing outsourcing
Lagoona Cruise Ltd	June 30,	Mauritius	**-**	**33.00**	**19.71**	-	33.00	19.71	Boat cruises activities
Mozambique Airport Handling Services Limitada	Sep 30,	Mozambique	**-**	**29.00**	**17.32**	-	29.00	17.32	Ground handling services
New Mauritius Hotels Limited	June 30,	Mauritius	**15.24**	**22.90**	**28.92**	15.24	22.90	28.92	Hospitality
Société Pur Blanca	Sep 30,	Mauritius	**-**	**49.00**	**29.27**	-	49.00	29.27	Investment
Swan Financial Solutions Ltd	Dec 31,	Mauritius	**-**	**20.00**	**11.95**	-	20.00	11.95	Insurance
Swan General Ltd	Dec 31,	Mauritius	**-**	**29.40**	**17.56**	-	29.40	17.56	Insurance

(i) Savannah International School Ltd is a new associate of the group.

The above associates have been accounted for using the equity method.

For associated companies having different reporting date, management accounts have been prepared at June 30, 2022, with the exception of Swan General Ltd and Swan Financial Solutions Ltd, where audited financial statements have been consolidated for the period from April 1, 2021 to March 31, 2022 as it is impracticable to receive audited financial statements as at June 30, 2022, at date of finalisation of the group financial statements.

Bank borrowings are secured on some of the group's assets. Please refer to note 22 for further details.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(d) **Summarised financial information in respect of the group's principal associated companies is set out below:**

	Year end	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Profit/(loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year
2022		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Société CTEG (previously known as Charles Telfair Ltd)	June 30,	**65,135**	**498,811**	**57,978**	**71,112**	**217,751**	**53,752**	**30,553**	**84,305**
Formation Recrutement & Conseil en Informatique Limitée	June 30,	**251,003**	**50,238**	**186,703**	**20,917**	**579,153**	**31,822**	**501**	**32,323**
Management and Development Company Limited	June 30,	**6,958,776**	**13,144,367**	**5,265,932**	**3,937,835**	**14,953,738**	**316,212**	**313,903**	**630,115**
New Mauritius Hotels Limited	June 30,	**3,650,060**	**37,108,870**	**11,494,227**	**19,987,579**	**8,115,487**	**(64,768)**	**2,014,928**	**1,950,160**
Semaris Limited	June 30,	**4,466,701**	**2,220,803**	**1,697,524**	**1,415,850**	**466,465**	**52,592**	**(255,163)**	**(202,571)**
Superdist Limited	Dec 31,	**343,769**	**9,981**	**266,417**	**7,351**	**869,752**	**33,013**	**(596)**	**32,417**
Swan General Ltd	Dec 31,	**9,383,663**	**53,669,087**	**1,117,546**	**56,983,201**	**1,879,500**	**674,382**	**4,926,964**	**5,601,346**
2021									
Charles Telfair Ltd	June 30,	62,628	466,929	57,022	80,983	214,536	52,302	42,785	95,087
Formation Recrutement & Conseil en Informatique Limitée	June 30,	191,555	45,790	141,686	34,361	442,992	28,350	(667)	27,683
Management and Development Company Limited	June 30,	5,100,690	12,452,161	3,345,585	4,124,578	11,154,901	21,221	925,455	946,676
New Mauritius Hotels Limited	June 30,	2,740,000	35,512,400	12,148,000	20,041,800	1,136,800	(3,123,254)	1,274,469	(1,848,785)
Semaris Limited	June 30,	4,341,600	2,327,100	1,391,000	1,501,000	710,600	152,000	458,800	610,800
Superdist Limited	Dec 31,	208,670	10,280	139,359	8,026	637,840	25,816	1,464	27,280
Swan General Ltd	Dec 31,	10,360,296	44,189,695	1,201,083	49,365,375	7,000,100	681,895	291,604	973,499

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

(e) **Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of the material associates is set out below:**

2022	Opening net assets at July 1,	Profit/(loss) for the year	(Dividends paid)/ Dividend Cancellation	Other comprehensive income for the year	Change in ownership/ (Transfer)	Closing net assets at June 30,	Ownership interest	Interest in associates	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000		Rs'000	%	Rs'000	Rs'000
Société CTEG (previously known as Charles Telfair Ltd)	**391,552**	**53,752**	**(41,000)**	**30,553**	**-**	**434,857**	**18.29**	**79,535**	**79,535**
Formation Recrutement & Conseil en Informatique Limitée	**61,298**	**31,822**	**-**	**501**	**-**	**93,621**	**47.14**	**44,133**	**44,133**
Management and Development Company Limited	**7,035,452**	**316,212**	**(75,000)**	**313,903**	**9,618**	**7,600,185**	**39.00**	**2,964,072**	**2,964,072**
New Mauritius Hotels Limited	**5,018,492**	**(64,768)**	**-**	**2,014,928**	**-**	**6,968,652**	**38.20**	**2,662,025**	**2,662,025**
Semaris Limited	**3,776,700**	**52,592**	**-**	**(255,163)**	**-**	**3,574,129**	**38.20**	**1,365,317**	**1,365,317**
Superdist Limited	**71,565**	**33,013**	**(24,000)**	**(596)**	**-**	**79,982**	**45.00**	**35,992**	**35,992**
Swan General Ltd	**3,983,533**	**674,382**	**(119,171)**	**4,926,964**	**(4,513,705)**	**4,952,003**	**29.47**	**1,459,355**	**1,459,355**
2021									
Charles Telfair Ltd	326,465	52,302	(30,000)	42,785	-	391,552	18.29	71,615	71,615
Formation Recrutement & Conseil en Informatique Limitée	45,615	28,350	(12,000)	(667)	-	61,298	47.14	28,896	28,896
Management and Development Company Limited	6,088,776	21,221	-	925,455	-	7,035,452	39.00	2,743,826	2,743,826
New Mauritius Hotels Limited	6,867,277	(3,123,254)	-	1,274,469	-	5,018,492	38.20	1,917,064	1,917,064
Semaris Limited	3,165,900	152,000	-	458,800	-	3,776,700	38.20	1,442,699	1,442,699
Superdist Limited	84,285	25,816	(40,000)	1,464	-	71,565	45.00	32,204	32,204
Swan General Ltd	3,129,205	681,895	(119,171)	291,604	-	3,983,533	29.47	1,173,947	1,173,947

(f) **Aggregate information of associated companies which are not individually material is as follows:**

	2022	2021
	Rs'000	Rs'000
Carrying amount of interests	**1,586,910**	1,387,755
Share of profit	**194,468**	87,078
Share of other comprehensive income	**(1,259,876)**	(19,248)
Share of total comprehensive income	**(1,065,408)**	67,830

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(g) THE COMPANY

(i) **2022**

	Level 2	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**
At July 1,	**691,000**	**51,200**	**742,200**
Transfer*	**(96,600)**	**96,600**	**-**
Fair value adjustment	**267,900**	**207,700**	**475,600**
At June 30,	**862,300**	**355,500**	**1,217,800**

(ii) 2021

	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
At July 1	680,160	38,860	719,020
Fair value adjustment	10,840	12,340	23,180
At June 30,	691,000	51,200	742,200

*It relates to a transfer from level 2 to level 3 due to a change in the valuation method.

(h) The value of the securities was determined at June 30, 2022 by qualified independent professional valuers based on capitalised earnings. In assessing the fair value of the securities, assumptions have been made on the basis of market conditions existing at the end of each reporting date.

Investments included in level 1 comprise of quoted equity investments valued at their closing market prices. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(i) THE COMPANY

Summarised financial information in respect of the company's principal associated companies is set out below:

	Year end	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year
2022		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Société CTEG (previously known as Charles Telfair Ltd)	June 30,	**65,135**	**498,811**	**57,978**	**71,112**	**217,751**	**53,752**	**30,553**	**84,305**
New Mauritius Hotels Limited	June 30,	**3,650,060**	**37,108,870**	**11,494,227**	**19,987,579**	**8,115,487**	**(64,768)**	**2,014,928**	**1,950,160**
Semaris Limited	June 30,	**4,466,701**	**2,220,803**	**1,697,524**	**1,415,850**	**466,465**	**52,592**	**(255,163)**	**(202,571)**
2021									
Charles Telfair Ltd	June 30,	62,628	466,929	57,022	80,983	214,536	52,302	42,785	95,087
New Mauritius Hotels Limited	June 30,	2,740,000	35,512,400	12,148,000	20,041,800	1,136,800	(3,123,254)	1,274,469	(1,848,785)
Semaris Limited	June 30,	4,341,600	2,327,100	1,391,000	1,501,000	710,600	152,000	458,800	610,800

Note:
Emerald (Mtius) Ltd, Green Create Nutra Limited and Sun Souvenir Ltd are dormant associated companies.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

The table below sets out information about significant unobservable inputs used at June 30, 2022 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

	Valuation technique	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
2022				
Société CTEG (previously known as Charles Telfair Company Ltd)	Adjusted market multiple	Expected value/EBITDA	7.71x	The expected fair value will increase/ (decrease) by Rs.0.9m, if the adjusted market multiple will be higher or lower by 1%.
2021				
Charles Telfair Company Ltd	Adjusted market multiple	Expected value/EBITDA	8.5x	The expected fair value will increase/ (decrease) by Rs.0.8m, if the adjusted market multiple will be higher or lower by 1%.

(l) **Critical accounting estimates**

Significant judgements and assumptions are made in determining whether an entity has significant influence over another entity. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts and circumstances. Refer to note 4.1 for more details.

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the company using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) **Accounting policy**

Consolidated financial statements

Jointly controlled entities are joint venture whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. It is the contractually agreed sharing of control of an arrangement which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

Investments in jointly controlled entities are accounted for under the equity method of accounting. Equity accounting involves recognising on the statement of comprehensive income the group's share of the jointly controlled entities' profit or loss and other comprehensive income for the year. The group's interests in the jointly controlled entities' are carried on the statement of financial position at an amount that reflects its share of the net assets of the entity. Goodwill is included within the carrying amount of the jointly controlled entity and tested yearly for impairment.

The results of jointly controlled entities acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of jointly controlled entities to bring the accounting policies used in line with those adopted by the group.

(b) THE GROUP

	2022	2021
	Rs'000	Rs'000
At July 1,	**40,983**	42,375
Share of loss for the year	**(200)**	(1,392)
At June 30,	**40,783**	40,983

(c) The group's interests in its unquoted jointly controlled entities are as follows:

			2022			2021			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	Country of incorporation	Holding company	Subsidiary companies	Effective holding	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	**%**	**%**	%	%	%	
Jacotet Bay Ltd	June 30,	Mauritius	**-**	**50.00**	**11.18**	-	50.00	11.18	Property
FMVV Immobilier Ltee	June 30,	Mauritius	**-**	**50.00**	**11.18**	-	50.00	11.18	Property

The above jointly controlled entities are private companies and there is no quoted market price available for these shares. For jointly controlled entities having different reporting date, management accounts have been prepared at June 30, 2022.

The group consolidates the above named companies as jointly controlled entities despite effectively holding less than 50% as its subsidiary company namely Les Villas de Bel Ombre Limitee holds jointly controlled arrangements along with third parties in these companies.

Bank borrowings are secured on some of the group's assets. Please refer to note 22 for further details.

(d) **Critical accounting estimates**

Significant judgements and assumptions are made in determining whether an entity has joint control and the type of joint arrangement. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts and circumstances.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

12. INVESTMENTS IN FINANCIAL ASSETS

(a) **Accounting policy**

Financial assets

The group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired.

(i) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading and for which the group has made an irrevocable election to classify in this category. These are strategic investments and the group considers this classification to be more relevant. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve. Transfers between levels of the fair value hierarchy, are deemed to have occurred at the beginning of the reporting period.

(ii) Financial assets at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading; and

- equity investments for which the group has not elected to recognise fair value gains and losses through other comprehensive income.

Financial assets classified at fair value through profit or loss are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value being recognised in profit or loss.

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Investments are initially measured at cost inclusive of transaction costs except for financial assets at fair value through profit or loss whereby transaction costs are expensed. All financial assets measured at fair value through profit or loss are designated upon initial recognition.

Subsequent measurement

Financial assets are subsequently carried at fair value. The fair value of some quoted investments are based on current bid prices. If the market for the financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, adjusted net asset value, capitalised earnings method, dividend yield method and market prices refined to reflect the issuer's specific circumstances. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are reflected at cost.

Derecognition

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

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**484,145**	470,216	**92,515**	131,045
Additions	**32,294**	73,871	**3,000**	13,150
Disposals*	**(73,255)**	(15,070)	**-**	-
Change in fair value	**141,827**	(46,072)	**10,960**	(51,680)
Reclassify to financial asset at amortised cost	**(6,800)**	-	**-**	-
Translation difference	**-**	1,200	**-**	-
At June 30,	**578,211**	484,145	**106,475**	92,515

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Quoted/level 1:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- New Mauritius Hotels Limited (Preference shares)	**-**	40	**-**	40
- Tropical Paradise Co Ltd (Ordinary shares)	**88,100**	76,900	**78,100**	68,600
- Tropical Paradise Co Ltd (Preference shares)	**18,700**	13,500	**18,700**	13,500
- Others	**15,515**	15,475	**-**	-
	122,315	105,915	**96,800**	82,140
Unquoted/level 3:				
-Luminar Ventures AB	**111,200**	57,000	**-**	-
-Omnisient PTY Ltd	**32,200**	32,400	**-**	-
-CONNECKT4	**35,500**	35,500	**-**	-
-Peach Bots Proprietary Limited	**69,100**	30,200	**-**	-
-ETERNUM Ltd	**13,100**	11,600	**-**	-
-Reuniwatt	**8,300**	42,500	**-**	-
-Shortlist Professionals Ltd	**21,100**	13,800	**-**	-
-Central Depository and Settlement Ltd	**86,300**	40,600	**-**	-
- Others	**79,096**	114,630	**9,675**	10,375
	455,896	378,230	**9,675**	10,375
Total	**578,211**	484,145	**106,475**	92,515

The fair value hierarchy for financial assets at fair value through other comprehensive income is as below:

THE GROUP	Level 1	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**
2022			
At July 1,	**105,915**	**378,230**	**484,145**
Additions	**-**	**32,294**	**32,294**
Disposals*	**(10,100)**	**(63,155)**	**(73,255)**
Fair value adjustments	**26,500**	**115,327**	**141,827**
Reclassify to financial asset at amortised cost	**-**	**(6,800)**	**(6,800)**
At June 30,	**122,315**	**455,896**	**578,211**

*Disposals include redemption of shares.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

THE GROUP (CONT'D)	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
2021			
At July 1,	133,135	337,081	470,216
Additions	-	73,871	73,871
Disposals**	-	(15,070)	(15,070)
Change in fair value	(27,220)	(18,852)	(46,072)
Translation difference	-	1,200	1,200
At June 30,	105,915	378,230	484,145

THE COMPANY	Level 1	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**
2022			
At July 1,	**82,140**	**10,375**	**92,515**
Additions*	**-**	**3,000**	**3,000**
Change in fair value	**14,660**	**(3,700)**	**10,960**
At June 30,	**96,800**	**9,675**	**106,475**
2021			
At July 1,	118,850	12,195	131,045
Additions	40	13,110	13,150
Change in fair value	(36,750)	(14,930)	(51,680)
At June 30,	82,140	10,375	92,515

*The additions of Rs.3m relates to advances provided by the parent company to a subsidiary company and this was converted into stated capital at year end.

**Disposals include redemption of shares.

There were no transfers between levels 1 and 3 during the year.

(iii) Financial assets measured at fair value through other comprehensive income include the group's strategic equity investments not held for trading. The group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

(iv) The fair value of the securities was determined at June 30, 2022 by qualified independent professional valuers. The listed securities were valued based on market prices. The fair value of the unquoted securities is assessed using valuation techniques, namely earnings basis, dividend basis or net asset value.

Fair value hierarchy

The following table shows financial instrument recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

Fair value hierarchy (cont'd)

The table below sets out information about significant unobservable inputs used at June 30, 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

	Valuation technique 2022	Valuation technique 2021	Unobservable inputs	Multiple	Sensitivity to changes in significant unobservable inputs
Société CTEG (previously known as Charles Telfair Company Ltd)	Adjusted market multiple	Adjusted market multiple	Expected value/EBITDA	7.71x (2021: 8.5x)	The expected fair value will increase/(decrease) by Rs.0.9m (2021: Rs.0.8m), if the adjusted market multiple will be higher or lower by 1%.
Central Depository and Settlement Ltd	Adjusted market multiple	Adjusted market multiple	Expected value/EBITDA	16.2x (2021: 9.6x)	The expected fair value will increase/(decrease) by Rs.0.6m (2021: Rs.0.3m), if the adjusted market multiple will be higher or lower by 1%.

For other investments, the fair valuation has been based on the net asset values which management believes is the best estimate of the fair value. If a 10% premium or discount is applied to the net asset value, the fair value would increase (decrease) by Rs.2.4m (2021: Rs.3.9m) respectively.

(c) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	THE GROUP	
	2022	2021
(i) *Non-current*	**Rs'000**	Rs'000
At July 1	**-**	19,100
Disposals	**-**	(19,100)
At June 30,	**-**	-

(ii) The carrying amounts of the financial assets at fair value through profit or loss are classified as follows:

	2022			
	Official market	DEM listed	Unquoted	Total
THE GROUP AND THE COMPANY	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1,	**34,151**	**18,219**	**2,270**	**54,640**
Additions	**-**	**1,000**	**-**	**1,000**
Capital reduction	**-**	**(554)**	**-**	**(554)**
Change in fair value	**4,950**	**1,734**	**-**	**6,684**
At June 30,	**39,101**	**20,399**	**2,270**	**61,770**

	2021			
	Official market	DEM listed	Unquoted	Total
THE GROUP AND THE COMPANY	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	24,251	18,229	2,280	44,760
Change in fair value	9,900	(10)	(10)	9,880
At June 30,	34,151	18,219	2,270	54,640

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONT'D)

(iii) THE GROUP AND THE COMPANY

	2022		
	Level 1	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**
Financial assets at fair value through profit or loss	**59,500**	**2,270**	**61,770**

THE GROUP AND THE COMPANY

	2021		
	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
Financial assets at fair value through profit or loss	52,370	2,270	54,640

(iv) The table below shows changes in level 3 instruments for the year ended June 30, 2022 and 2021:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**2,270**	2,280	**2,270**	2,280
Change in fair value	**-**	(10)	**-**	(10)
At June 30,	**2,270**	2,270	**2,270**	2,270

(v) The fair value of the securities was determined by qualified independent professional valuers at the end of the reporting period. Unquoted investments were valued using various methods of valuation and assumptions based on adjusted earnings and adjusted net assets. Listed investments were valued at closing market prices.

(vi) Financial assets at fair value through profit or loss are denominated in Mauritian rupees.

(d) The carrying amount of the financial assets represent the maximum credit exposure.

(e) Critical accounting estimates

Fair value of securities not quoted on an active market

The group has elected to value its investment in securities not quoted in an active market using valuation techniques namely earnings, net asset value or discounted cash flows as appropriate. The group would exercise judgements and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

13. OTHER FINANCIAL ASSETS AT AMORTISED COST

(a) **Accounting policy**

Other financial assets at amortised costs include those assets held with a view of collecting contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, are subsequently carried at amortised cost using the effective interest rate method less any provision from impairment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(a) **Accounting policy (cont'd)**

Other receivables generally arise from transactions outside the usual operating activities of the group. For some of the loans, interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

In assessing whether the credit risk on financial assets at amortised cost has increased significantly since initial recognition, the group compares the risk of default occurring on the financial instruments at the reporting date with the risk of default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The group manages its financial assets at amortised cost by considering the purpose of their advances, the financial position and forecasted cash flows of the counterparties.

The group recognises an allowance for expected credit losses (ECLs) on receivables classified as financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

A financial asset at amortised costs is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets at amortised costs written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in the Statements of Profit or Loss.

The group does not expect any default from the financial assets at amortised cost and is certain of the counterparties' ability to pay their debt as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is therefore negligible and the group has not accounted for any impairment loss as deemed immaterial.

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Non-current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Loans to subsidiary companies	**-**	-	**1,837,569**	1,837,569
Loans to other companies - unsecured	**81,900**	66,300	**-**	-
Loans to other companies - secured	**248**	323	**249**	323
	82,148	66,623	**1,837,818**	1,837,892
Current				
Loans to related parties	**9,686**	9,673	**9,686**	9,673
Other receivables	**1,463,725**	1,304,789	**76,191**	39,334
Less : Loss allowance for debt investments at amortised cost (see note (f))	**(15,508)**	(16,852)	**(15,508)**	(16,852)
	1,457,903	1,297,610	**70,369**	32,155
	1,540,051	1,364,233	**1,908,187**	1,870,047

The group has made an impairment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the loan. Following this assessment, loss allowance of Rs.15.5m (2021: Rs.16.9m) for the group and Rs.15.5m (2021: Rs.16.9m) for the company respectively was accounted for.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(c) Loans to other companies are repayable by instalments after more than one year, and carry interest at the rate of 2.30% - 3.15%. The carrying amount of such loans receivables approximate their fair values as the loans are contracted on market-related terms.

(d) Non-current loans to subsidiary companies are repayable by June 2026 and carry interest at the rate of 6.25%.

Current loans to related parties are repayable on demand and are interest free. The carrying amount of such loans approximate their fair values.

(e) Other receivables

Other receivables include amount dues from non-group entities and advance payment with authorities arising in the ordinary course of business. The carrying amount of such other receivables approximate their fair values. There is no write off during the year.

(f) Impairment and risk exposure

The loss allowance for the financial assets at amortised cost as at June 30, 2022 reconciles to the opening loss allowance on July 1, 2021 and to the closing loss allowance as at June 30, 2022. This relates to specific provision against long outstanding other receivables.

THE GROUP	**2022**	2021
	Other receivables	Other receivables
	Rs'000	Rs'000
Loss allowance at July 1,	**16,852**	15,270
Allowance (reversed)/recognised in profit or loss during the year	**(1,344)**	1,582
Loss allowance at June 30,	**15,508**	16,852

The expected credit loss (ECL) provision amounting to Rs.15.5m (2021: Rs.16.9m) relates to credit impaired assets which are classified under Stage 3.

THE COMPANY	Related parties	Other receivables	Total
2022	**Rs'000**	**Rs'000**	**Rs'000**
Loss allowance at July 1,	**9,673**	**7,179**	**16,852**
Allowance reversed in profit or loss during the year	**-**	**(1,344)**	**(1,344)**
Loss allowance at June 30,	**9,673**	**5,835**	**15,508**

	Related parties	Other receivables	Total
2021	Rs'000	Rs'000	Rs'000
Loss allowance at July 1,	9,671	5,256	14,927
Allowance recognised in profit or loss during the year	2	1,923	1,925
Loss allowance at June 30,	9,673	7,179	16,852

(g) Financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian rupee	**1,540,051**	1,364,233	**1,908,187**	1,870,047

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES

(a) Accounting policy

(i) Recognition and initial measurement

The group initially recognises loans and advances towards finance leases, loans and advances towards hire purchase, other loans and advances and borrowings on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset.

At initial recognition, the group measures a financial asset or financial liability at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

(ii) Classification and subsequent measurement

Under IFRS 9, immediately after initial recognition, an expected credit loss (ECL) is recognised in profit or loss when an asset is newly originated.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the group revises the estimates of future cash flows, the carrying amount of the respective financial assets or liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

The group has the option to classify its financial assets in the following measurement categories:

• Fair value through profit or loss (FVPL);

• Fair value through other comprehensive income (FVOCI) or

• Amortised cost.

A description of each of the measurement category is given below:

• Under the amortised cost model, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

• Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that arise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains or losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the Statements of Profit or Loss and other comprehensive income as 'Other operating income'.
• Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented within 'Other operating income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model assessment

The group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

• how the performance of the portfolio is evaluated and reported to the group's management;

• the risks that affect the performance of the business model, the financial assets held within that business model and its strategy for how those risks are managed; and

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

Business model assessment (cont'd)

• the frequency, volume and timing of sale in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The group has determined that it has one business model which includes held to collect business model. This includes cash and cash equivalents, loans towards finance leases, loans and advances towards hire purchase, other loans and advances and other assets. These assets are held to collect contractual cash flows.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the group considers:

• contingent events that would change the amount and timing of cash flows;

• leverage features;

• prepayment and extension terms; and

• terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse loans).

Non-recourse loans

In some cases, loans made by the group that are secured by collateral of the borrower limit the group's claim to cash flows of the underlying collateral (non-recourse loans). The group applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The group typically considers the following information when making this judgement:

• whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;

• the fair value of the collateral relative to the amount of the secured financial asset;

• the ability and willingness of the borrower to make contractual payments, notwithstanding a decline in the value of collateral;

• whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;

• the group's risk of loss on the asset relative to a full-recourse loan;

• the extent to which the collateral represents all or a substantial portion of the borrower's assets; and

• whether the group will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the group changes its business model for managing financial assets.

Subsequent measurement

Financial assets at amortised cost; these assets are subsequently measured at amortised cost using the effective interest method. Interest income and any impairment losses are recognised in the Statements of Profit or Loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire (see also (iv)), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

(iv) Modifications of financial assets

Financial assets

If the terms of a financial asset are modified, then the group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

• fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

• other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

(vi) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

(vi) Fair value measurement (cont'd)

The group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Impairment

Impairment of financial assets

The group recognises loss allowances for expected credit losses (''ECL'') on the following financial instruments that are not measured at FVTPL:

• loans and advances towards hire purchase;

• loans and advances towards finance leases;

• other loans and advances; and

• other assets.

The group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

• financial instruments that are determined to have low credit risk at the reporting date; and

• financial instruments on which credit risk has not increased significantly since their initial recognition.

The group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' (Ba1+). The group does not apply the low credit risk exemption to any other financial instruments. The group does not have a credit rating system to grade its loan customers but instead uses a credit scoring methodology to assess whether a customer is credit worthy or not. Accordingly only customers who are creditworthy are given credit facilities. The internal credit rating system of the group is based on the number of days outstanding. Thus all customers across three stages disclosed above, are assessed principally based on days outstanding.

Investment grade (staging) is defined as follows:

Stage 1: 0-34 days

Stage 2: 35-94 days

Stage 3: 95 days and above

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

• financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive);

• financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

• undrawn loan, finance lease and hire purchase commitments: as the present value of the difference between the contractual cash flows that are due to the group if the commitment is drawn down and the cash flows that the group expects to receive; and

• financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the group expects to recover.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

Overview of ECL principles

The group applies the IFRS 9 general approach to measure expected credit losses which uses a 12 month and a lifetime expected loss allowance for net investment in leases and other credit agreements. The expected credit losses under the 'general approach' can best be described using the following formula: Probability of Default (PD) x Loss given Default (LGD) x Exposure at Default (EAD).

The impairment requirements apply to financial assets measured at amortised cost. At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses (''ECL'') resulting from default events that are possible within the next 12 months ('12-month ECL').

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default or otherwise credit impaired are in 'stage 3'.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments which is on the basis of their product types.

The lifetime expected loss rates ("LTECLs") are based on the group's historical credit losses based on the pattern of no movement of financial assets over a period of six months before reporting date, since the company is in its initial phase of providing lease and other credit arrangements. An additional loss allowance for financial assets is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of financial asset. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the financial assets.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment the group considers quantitative and qualitative information based on the group's historical experience, credit risk assessment and forward-looking information. The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2). If contractual payments are more than 34 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Financial assets are classified as 'stage 3' where they are determined to be credit impaired. This includes exposures that are at least 95 days past due and where the obligor is unlikely to pay without recourse against available collateral.

Impairment is the difference between contractual and expected cash flows of a financial asset (e.g., finance lease, hire purchase or loan). ECL provision is discounted to present value using the original implicit rate/ effective interest rate. The group presents balance of the respective assets net of allowance for impairment.

The calculation of ECLs

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal whether scheduled by contract, or expected drawdowns on committed facilities.

Loss given default ("LGD") is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. Conceptually, LGD estimates are independent of a customer's probability of default. The LGD models ensure that the main drivers for losses (i.e., different levels and quality of collateralization and customer or product types or seniority of facility) are reflected in specific LGD factors. In our LGD models, we assign collateral type specific LGD parameters to the collateralized exposure (collateral value after application of haircuts).

The mechanics of the ECL method are summarised below:

• Stage 1: The 12-month ECL is calculated as the portion of Lifetime ECLs ("LTECLs") that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

• Stage 2: When a loan has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs lifetime of the instrument. These expected default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

• Stage 3: For loans considered credit-impaired, the company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

(vii) Impairment (cont'd)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

• If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

• If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;

• a breach of contract such as a default or past-due event;

• the restructuring of a loan or advance by the group on terms that the group would not consider otherwise; and

• it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 95 days or more is considered credit-impaired even when the regulatory definition of default is different. The presumed 90 days backstop has been rebutted to align with the 5 days of grace days that are given to clients to settle their overdue balance.

Purchased or Originated Credit-Impaired ("POCI") financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the Statements of Financial Position

Loss allowances for ECL are presented in the Statements of Financial Position as follows:

• financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and

• financial guarantee contracts: generally, as a provision.

Write-offs

Loans are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statements of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Financial guarantee contracts held

The group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the group considers when making this assessment include whether:

• the guarantee is implicitly part of the contractual terms of the debt instrument;

• the guarantee is required by laws and regulations that govern the contract of the debt instrument; and

• the guarantee is entered into at the same time as and in contemplation of the debt instrument.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(a) Accounting policy (cont'd)

(vii) Impairment (cont'd)

Financial guarantee contracts held (cont'd)

If the group determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The group considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the group determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. The group presents gains or losses on a compensation right in profit or loss in the line item impairment losses on financial instruments'.

(b) Gross investment

	2022				2021
THE GROUP	**Finance leases**	**Hire purchase**	**Other credit agreements**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
Within one year	**436,900**	**554,600**	**117,000**	**1,108,500**	1,131,100
After one year and before two years	**402,600**	**123,700**	**40,900**	**567,200**	490,500
After two years and before five years	**673,100**	**44,300**	**38,200**	**755,600**	880,600
After five years	**61,900**	**-**	**4,600**	**66,500**	74,700
Loans and advances before allowance for impairment	**1,574,500**	**722,600**	**200,700**	**2,497,800**	2,576,900
Allowance for credit impairment	**(26,400)**	**(258,400)**	**(8,700)**	**(293,500)**	(304,400)
Loans and advances at June 30,	**1,548,100**	**464,200**	**192,000**	**2,204,300**	**2,272,500**
Representing:					
Current	**414,100**	**295,900**	**42,800**	**752,800**	827,500
Non-current	**1,134,000**	**168,300**	**149,200**	**1,451,500**	1,445,000
Loans and advances at June 30,	**1,548,100**	**464,200**	**192,000**	**2,204,300**	2,272,500

(c) **Loans and advances may be analysed as follows:**

	2022				2021
	Finance leases	**Hire purchase**	**Other credit agreements**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
Remaining term to maturity					
Not later than one year	**436,900**	**554,600**	**117,000**	**1,108,500**	1,132,000
After one year and before two years	**402,600**	**123,700**	**40,900**	**567,200**	548,400
After two years and before five years	**673,100**	**44,300**	**38,200**	**755,600**	825,100
After five years	**61,900**	**-**	**4,600**	**66,500**	71,400
Loans and advances at June 30,	**1,574,500**	**722,600**	**200,700**	**2,497,800**	2,576,900

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(d) Allowance for credit impairment

	2022				2021
	Finance leases	**Hire purchase**	**Other credit agreements**	**Total**	Total
Portfolio provision	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
At July 1,	**(4,200)**	**(289,400)**	**(10,700)**	**(304,300)**	(302,100)
Allowance for credit impairment for the year	**(22,200)**	**-**	**-**	**(22,200)**	(2,000)
Reversal of allowance for credit impairment	**-**	**31,000**	**2,000**	**33,000**	9,200
Interest in suspense	**-**	**-**	**-**	**-**	(9,500)
At June 30,	**(26,400)**	**(258,400)**	**(8,700)**	**(293,500)**	(304,400)

(e) At reporting date, the analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lease receivables, hire purchase receivables and loans receivable from customers is as follows:

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount on loans and advances				
At July 1, 2020	1,678,900	366,600	419,600	2,465,100
New assets originated or purchased	1,100,600	-	-	1,100,600
Assets derecognised or repaid (excluding write offs)	(484,600)	(354,200)	(150,000)	(988,800)
Transfers from Stage 1	75,400	(54,100)	(21,300)	-
Transfers from Stage 2	(230,300)	240,400	(10,100)	-
Transfers from Stage 3	(141,200)	(42,900)	184,100	-
At June 30, 2021	**1,998,800**	**155,800**	**422,300**	**2,576,900**
New assets originated or purchased	**1,054,000**	**-**	**-**	**1,054,000**
Assets derecognised or repaid (excluding write offs)	**(837,200)**	**(181,000)**	**(115,000)**	**(1,133,200)**
Transfers from Stage 1	**128,600**	**(106,300)**	**(22,300)**	**-**
Transfers from Stage 2	**(269,400)**	**281,500**	**(12,100)**	**-**
Transfers from Stage 3	**(141,100)**	**(21,400)**	**162,500**	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	**(25,500)**	**(3,900)**	**29,500**	**100**
At June 30, 2022	**1,908,200**	**124,700**	**464,900**	**2,497,800**
Expected credit loss				
At July 1, 2020	92,100	30,900	179,100	302,100
New assets originated or purchased	47,800	-	-	47,800
Assets derecognised or repaid (excluding write offs)	(21,200)	(6,200)	(12,000)	(39,400)
Transfer to Stage 1	11,400	(7,600)	(3,900)	(100)
Transfer to Stage 2	(15,900)	18,000	(2,100)	-
Transfer to Stage 3	(21,600)	(10,800)	32,400	-
Changes in ECL during the year	(52,600)	(9,500)	56,100	(6,000)
At June 30, 2021	**40,000**	**14,800**	**249,600**	**304,400**
New assets originated or purchased	**24,800**	**-**	**-**	**24,800**
Assets derecognised or repaid (excluding write offs)	**(33,100)**	**(9,600)**	**(20,000)**	**(62,700)**
Transfer to Stage 1	**300**	**(300)**	**(100)**	**(100)**
Transfer to Stage 2	**(7,800)**	**8,100**	**(300)**	**-**
Transfer to Stage 3	**(23,000)**	**(2,700)**	**25,600**	**(100)**
Changes in ECL during the year	**25,200**	**(1,600)**	**3,600**	**27,200**
At June 30, 2022	**26,400**	**8,700**	**258,400**	**293,500**
Net carrying amount at June 30, 2021	1,958,800	141,000	172,700	2,272,500
Net carrying amount at June 30, 2022	**1,881,800**	**116,000**	**206,500**	**2,204,300**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(f) Amount arising from ECL

ECL at June 30, 2022	Stage 1	Stage 2	Stage 3	Total
Loans and advances towards hire purchase				
Expected loss rate (%)	**5.5%**	**23.5%**	**62.7%**	**33.1%**
Gross carrying amount (Rs.m)	**383.0**	**21.3**	**364.2**	**768.5**
Expected allowance for impairment (Rs.m)	**21.1**	**5.0**	**228.4**	**254.5**
Loans and advances towards finance leases				
Expected loss rate (%)	**0.0%**	**0.7%**	**8.9%**	**0.4%**
Gross carrying amount (Rs.m)	**1,432.8**	**90.1**	**50.7**	**1,573.6**
Expected allowance for impairment (Rs.m)	**0.7**	**0.6**	**4.5**	**5.8**
Other loans and advances				
Expected loss rate (%)	**5.0%**	**23.3%**	**51.0%**	**21.3%**
Gross carrying amount (Rs.m)	**92.4**	**13.3**	**50.0**	**155.7**
Expected allowance for impairment (Rs.m)	**4.6**	**3.1**	**25.5**	**33.2**

ECL at June 30, 2021	Stage 1	Stage 2	Stage 3	Total
Loans and advances towards hire purchase				
Expected loss rate (%)	8.4%	24.5%	70.5%	34.5%
Gross carrying amount (Rs.m)	446.2	54.6	338.1	838.9
Expected allowance for impairment (Rs.m)	37.6	13.4	238.4	289.4
Loans and advances towards finance leases				
Expected loss rate (%)	0.0%	0.8%	5.6%	0.3%
Gross carrying amount (Rs.m)	1,457.7	93.2	54.9	1,605.8
Expected allowance for impairment (Rs.m)	0.5	0.7	3.1	4.3
Other loans and advances				
Expected loss rate (%)	2.0%	8.8%	27.6%	8.1%
Gross carrying amount (Rs.m)	94.9	8.0	29.3	132.2
Expected allowance for impairment (Rs.m)	1.9	0.7	8.1	10.7

A +/- 5% variation in average loss rate as at June 30, 2022 would result in +/- Rs.14.7 million effect on post tax profit (2021: +/- Rs.14 million). The analysis assumes that all other variables, remain constant.

(g) Critical accounting estimates

Significant accounting judgements and estimates

The measurement of expected credit loss allowance for Loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviours (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed below. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for measurement of ECL;
- Establishing multiple economic scenarios by using different cases for the value of index;
- An important consideration in the impairment model in IFRS 9 is the use of forward-looking information in the models; and
- Determining the assumed lifetime of products.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

14. LOANS AND ADVANCES (CONT'D)

(g) Critical accounting estimates (cont'd)

The ECL models set up by the group are driven by internal and external data and this required significant judgements and estimates in relation to the determination of forward-looking information defining elements of a significant increase in credit risk and staging of financial instruments.

The economic outlook of the markets in which the group is present has been impacted by the ongoing Covid-19 pandemic. The consequent impact on the group is uncertain, thereby increasing the degree of judgement required to be exercised in calculating ECL:

• Models used to calculate ECL are inherently complex and judgement is applied in determining the appropriateness of the ECL model;

• A number of inputs, assumptions are made by the group concerning the values of inputs to the models and how the inputs correlate with one another; including the incorporation of the current macro-economic scenario through the forward-looking information; and

• Evidence of significant increase in credit risk and hence the relevant staging and credit worthiness of the group's clients.

While complying with international practices advocating post-model adjustments in instances where effects of Covid-19 cannot be accurately reflected in models and given relative lack of data, the group aligned one of important risk parameters, namely the probability of default, to factor in potential ramifications of the pandemic.

Incorporation of forward-looking information

The group incorporates forward-looking information into the measurement of ECL. The cyclical component of Mauritius GDP growth (derived through the smoothing technique, the Hodrick-Prescott filter) is used to proxy the credit cycle index. This credit cycle index is linked to the group's ECL calculations through the well-known Vasicek Single Factor Model. By using forecasts of Mauritius GDP Growth, a forecasted credit cycle index can be derived and used to adjust default rates used in ECL calculations such that these rates reflect the impact of forward-looking information into the measurement of ECL.

The group formulates three economic scenarios:

(i) a baseline case with 80% weightage, (ii) an upside case with 10% weightage and (iii) a downside case with 10% weightage. The baseline scenario are figures obtained directly from the IMF WEO Database forecasts and or Mauritius Budget Estimates. Standard deviation shocks are applied to the baseline forecasts to allow for a plausible range of forecasts for the macroeconomic variable. A normal distribution is assumed and the 5th percentile case and 95th percentile case are assumed as downside and upside case scenario respectively. The group then calculates a scenario probability weighted PD which is applied to the ECL model.

Collateral held and other credit enhancements

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of the loans and advances. However, the collateral provides additional security and may take in the form of the items acquired by the borrower and other liens and guarantees. The fair value of the collateral are assessed at periodical intervals to ensure that its portfolio is sufficiently collaterised.

Significant increase in credit risk

As a backstop, the group considers that a significant increase in credit risk occurs no later than when an asset is more than 34 days due. The 30 days presumed backstop has been rebutted to align with the 5 days of grace days that are given to their clients to settle their accounts. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL.

The group monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews of its portfolio.

Determining the classification of finance lease as loans and advances

In determining the classification of finance leases as loans and advances, the group has considered that control of the asset has been transferred outright to the customer upon entering the lease agreement.

Credit quality analysis

As highlighted above, the group has witnessed a major decrease in its ECL for the current year. The average loss rate for June 30, 2022 is 8.7% (2021: 8.1%).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

15. INVENTORIES

(a) Accounting policy

Inventories and work in progress are valued at the lower of cost or net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs to completion and applicable variable selling expenses.

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the group develops and intends to sell before, or on completion of development.

Cost incurred in bringing each property to its present location and condition includes:

• Freehold and leasehold rights for land

• Amounts paid to contractors for development

• Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(b) THE GROUP

	2022	2021
	Rs'000	Rs'000
Raw materials, consumables and spare parts	**498,502**	420,558
Stock of land (includes amount transferred from investment properties (note 6))	**1,490,376**	1,243,257
Work in progress	**76,613**	66,169
Finished goods	**1,257,846**	1,053,605
Goods in transit	**207,236**	161,257
	3,530,573	2,944,846

(c) The cost of inventories recognised as expense and included in cost of sales amounted to Rs.3,528m (2021: Rs.3,126m).

(d) There were no write off during the year.

(e) Bank borrowings are secured by floating charges on part of the inventories of the group.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

16. CONSUMABLE BIOLOGICAL ASSETS

(a) Accounting policy

Consumable biological assets comprising the standing cane valuation, deer farming and palm trees are measured at fair value less costs to sell, which is the present value of the expected net cash flows discounted at the relevant market determined pre-tax rate (palm trees: 6.25% (2021: 6.51%), nursery: 17.28% - 25.28% (2021: 17.04 - 25.51%) and standing canes 8.77% (2021: 6.09%).

(b) THE GROUP	Potatoes	Standing cane	Palm trees	Nursery	Deer farming	Cattle	Total
(i) **2022**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1,	**8,673**	**258,692**	**26,088**	**33,804**	**39,765**	**3,641**	**370,663**
Changes in fair value	**-**	**2,481**	**(4,839)**	**1,688**	**(5,900)**	**(2,020)**	**(8,590)**
Movement in cost of sales	**552**	**-**	**-**	**-**	**-**	**-**	**552**
At June 30,	**9,225**	**261,173**	**21,249**	**35,492**	**33,865**	**1,621**	**362,625**

	Potatoes	Standing cane	Palm trees	Nursery	Deer farming	Cattle	Total
(ii) 2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	4,880	186,353	24,824	31,186	37,765	1,897	286,905
Changes in fair value	-	72,339	1,264	2,618	2,000	1,744	79,965
Movement in cost of sales	3,793	-	-	-	-	-	3,793
At June 30,	8,673	258,692	26,088	33,804	39,765	3,641	370,663

Consumable biological assets are stated at their fair value and relate to the value of standing canes, deer farming, nursery plants and palm trees.

The fair value measurements have been categorised as level 3 fair value based on the inputs to the valuation techniques used.

At June 30, 2022, standing canes comprised of approximately 4,343 hectares of sugar cane under plantation (2021: 4,468 hectares). During the year, the group harvested approximately 250,298 tonnes of cane (2021: 238,048 tonnes of cane).

There was no transfers from IAS 41 to IAS 2 during the year.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

16. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

(c) Valuation techniques and significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing cane	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by sugarcane plantation.	Estimated future price of Sugar per tonne- Rs.22,366 - Rs.25,300 (2021:Rs.19,000 - Rs.20,250) Extraction rate per tonne 9.30% - 10.25% (2021: 9.50%-10.25%) Discount rate 6%-8.77% (2021: 6%-6.09%)	The estimated fair value would increase/(decrease) if: Expected income from Sugar were higher/ (lower) Costs were lower/(higher).
Palms	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by Palm over the next 5 years.	Estimated average price of palms- Rs.261 - Rs.371 per palm tree (2021: Rs.261 - Rs.295) Discount rate 6.51% (2021: 6.51%)	The estimated fair value would increase/(decrease) if: Expected selling price were higher/ (lower) Costs were lower/(higher).
Plants	Net Realisable Value	Future selling price of different type of plants.	The estimated fair value would increase/(decrease) if: Expected selling price were higher/ (lower) Costs were lower/ (higher).
Grass	Net Realisable Value	Estimated future contribution of grass- Rs.57 (2021: Rs.57)	The estimated fair value would increase (decrease) if: Expected selling price were higher/ (lower) Costs were lower/ (higher).
Deer	Net Realisable Value	Average weight of deer- 45 kg and 35 kg for local breed (2021: 45 kg and 35 kg for local breed) Average price of deer per Kg- Rs.180 (2021: Rs.180)	The estimated fair value would increase/(decrease) if: Expected weight per deer were higher/ (lower) Selling price higher/(lower).

(d) Critical accounting estimates

Consumable biological assets

The fair value of consumable biological assets has been arrived at by discounting the present value of the expected net cash flows at the relevant market determined pre-tax rate. For standing canes, the expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on yearly budgets.

For other consumable biological assets, the expected cash flows have been computed on the basis of expected sale prices and the expected cost of maintenance.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

17. TRADE AND OTHER RECEIVABLES

(a) Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less credit expected loss allowance.

The group is applying the simplified to measure ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The trade receivables have been divided into uninsured and insured. For insured receivables, the group considers insurance proceeds as an integral part of the impairment assessment of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balances where the group has no collateral.

The expected loss rates are based on the group's historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the gross domestic product (GDP) as the key macroeconomic factors in the countries where the group operates.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive. Trade and other receivables generally have a short duration and do not carry a contractual interest rate. Therefore, they are measured on initial recognition at the transaction price. Accordingly, the effective interest rate for receivables is zero and discounting of expected cash shortfalls to reflect the time value of money is not required when measuring ECL.

In case of the customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate. Hence, such customers are removed from the ageing analysis and ECL is calculated separately as per external credit ratings.

The group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the group's benchmark creditworthiness may transact with the group upon lodging of a bank guarantee as a security document or on a strictly prepaid (cleared funds) only basis.

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**2,632,701**	2,591,201	**4,089**	7,114
Less provision for impairment	**(338,348)**	(498,591)	**(190)**	(142)
Carrying value of trade receivables	**2,294,353**	2,092,610	**3,899**	6,972

The carrying amount of the trade receivables is considered as a reasonable approximation of fair value given the short-term nature of the receivables.

Loss allowance decreased significantly on account of the lower loss rates being applied.

(i) *Impairment of trade receivables*

The group uses the simplified approach to calculate for its ECL. Management has segregated the receivables book between a performing book (PB) and non-performing book (NPB) and have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. An LGD (loss given default) proxy of 22% - 62% (2021: 20% - 65%) was used for counterparties which is representative of the corporate client's exposure.

For other subsidiaries , the trade and other receivables have been divided into insured and uninsured. For insured receivables , the subsidiaries have exercised the policy choice of considering insurance cover as an integral part of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balance where the subsidiaries have no collaterals.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The expected loss rates are based on the subsidiaries' historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the subsidiaries will not be able to collect all amounts due according to the original terms of the receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables. These subsidiaries have identified the gross domestic product (GDP) as the key macroeconomic factors in the sectors in which they operate.

In case of customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate, Hence, such customers are removed from the ageing and ECL is calculated separately as per external credit ratings.

The loss allowance as at June 30, 2022 and 2021 was determined as follows for trade receivables.

THE GROUP

At June 30, 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Simplified approach					
Expected loss rate	**3%**	**4%**	**8%**	**53%**	
Gross carrying amount - trade receivables	**1,648,738**	**325,859**	**164,774**	**493,330**	**2,632,701**
Loss allowance	**(50,827)**	**(14,105)**	**(12,580)**	**(260,836)**	**(338,348)**

At June 30, 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Simplified approach					
Expected loss rate	8%	13%	15%	51%	
Gross carrying amount - trade receivables	1,547,830	296,593	123,198	623,580	2,591,201
Loss allowance	(122,035)	(37,636)	(17,918)	(321,002)	(498,591)

THE COMPANY

At June 30, 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Simplified approach	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Expected loss rate	**0%**	**0%**	**0%**	**6%**	
Gross carrying amount - trade receivables	**780**	**24**	**5**	**3,280**	**4,089**
Loss allowance	**-**	**-**	**-**	**(190)**	**(190)**

At June 30, 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Simplified approach	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	4%	
Gross carrying amount - trade receivables	834	2,340	-	3,940	7,114
Loss allowance	-	-	-	(142)	(142)

Trade receivables past due more than 90 days were credit impaired.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The closing loss allowances for trade receivables as at June 30, 2022 and 2021 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	Trade receivables		Trade receivables	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**498,591**	548,813	**142**	600
Loss allowance recognised in profit or loss during the year	**19,857**	180,292	**48**	-
Receivables written off during the year as uncollectible	**(30,712)**	(23,000)	**-**	(458)
Write off against provision	**(109,800)**	-	**-**	-
Unused amount reversed	**(1,586)**	(227,014)	**-**	-
Bad debts recovered	**(40)**	-	**-**	-
Acquisition of subsidiaries	**15,300**	-	**-**	-
Disposal of subsidiary	**(49,562)**	-	**-**	-
Translation difference	**(3,700)**	19,500	**-**	-
At June 30,	**338,348**	498,591	**190**	142

(c) 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.

(d) Critical accounting estimates

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

18. ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

(a) Accounting policy

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the services. Upon completion of the services and acceptance by the customers, the amount recognised as contract assets is reclassified to trade receivables. A contract asset is subject to impairment assessment and its loss allowance is measured at an amount equal to lifetime Expected Credit Losses (ECL).

The group is applying the simplified approach to measure Expected Credit Losses (ECL) which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets have been divided into uninsured and insured. For insured receivables, the group considers insurance proceeds as an integral part of the impairment assessment of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balances where the group has no collateral.

The group considers its contract assets to be in default when contractual payments are past due the approved credit period depending on the business environment in which it operates. The group also considers a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

The expected loss rates are based on the group's historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the gross domestic product (GDP) as the key macroeconomic factors in the countries where the group operates.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive. Contract assets generally have a short duration and do not carry a contractual interest rate. Therefore, they are measured on initial recognition at the transaction price. Accordingly, the effective interest rate for receivables is zero and discounting of expected cash shortfalls to reflect the time value of money is not required when measuring expected credit losses.

In case of the customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate. Hence, such customers are removed from the ageing analysis and ECL is calculated separately as per external credit ratings.

The group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the group's benchmark creditworthiness may transact with the group upon lodging of a bank guarantee as a security document or on a strictly prepaid (cleared funds) only basis.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in Statements of profit or loss.

When assessing whether a receivable is in default include, the group considers the following factors:

- the balance remaining due for more than 360 days;

- the debtor is unlikely to pay its obligation in full without recourse to actions such as disposing its assets; and

- the financial position indicating that debtors is in financial difficulty.

The contract assets primarily relate to the group`s rights to consideration for work completed but not yet billed at the reporting date on construction contracts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

18. ASSETS RELATED TO CONTRACTS WITH CUSTOMERS (CONT'D)

(b) THE GROUP

	2022	2021
	Rs'000	Rs'000
At July 1,	159,432	186,332
Amounts included in contract assets that was recognised as revenue during the year	(39,503)	(45,740)
Excess of revenue recognised over amounts invoiced	164,590	476,440
Loss allowance	(6,600)	(23,100)
Transfer to trade receivables	(157,700)	(445,900)
Disposal of subsidiary	(2,000)	-
Translation difference	5,900	11,400
At June 30,	124,119	159,432

At June 30, 2022 and 2021, the carrying value of contract assets have been analysed as follows:

THE GROUP

At June 30, 2022	Not past due	Current	More than 30 days* past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	3.6%	0.5%	17.9%	0.0%	16.1%	
Gross carrying amount						
- contract assets	90,500	19,607	5,020	1,325	14,267	130,719
Loss allowance	(3,300)	(100)	(900)	-	(2,300)	(6,600)
At June 30, 2021						
Expected loss rate	0.0%	25.8%	8.9%	4.3%	74.7%	
Gross carrying amount						
- contract assets	126,700	30,207	3,368	2,312	19,945	182,532
Loss allowance	-	(7,800)	(300)	(100)	(14,900)	(23,100)

*At June 30, 2022, a specific provision of Rs 1.5m has been included in expected credit loss allowance (2021: Rs 5.1m).

Contract assets past due more than 360 days were credit impaired. Given the nature of the group's contract assets, the ageing of a balance beyond 90 days does not necessarily indicate a credit default of the counterparty. Based on the group's experience, these balances are not considered impaired until they exceed 360 days. Accordingly, the group has rebutted the presumption that a balance is impaired if it is past due by more than 90 days.

Loss allowances for contract assets are:

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At July 1,	23,100	-
Increase in loss allowances recognised in profit or loss during the year	500	23,100
Reversal of provision for bad debts no longer required	(18,100)	-
Translation difference	1,100	-
At June 30,	6,600	23,100

(c) Critical accounting estimates

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

19. AMOUNTS RECEIVABLE FROM GROUP COMPANIES

(a) Accounting policy

Amounts receivable from group companies include trade receivables, loans and advances and other receivables which are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Impairment provisions for such trade receivables, loans and advances and other receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECL. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. To measure ECL, such trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. For such trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that such trade and other receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(b) THE COMPANY

	2022	2021
	Rs'000	Rs'000
Trade receivables	60,045	81,822
Less provision for impairment	(3,770)	(2,798)
Trade receivables- net	56,275	79,024
Other receivables (c)	217,694	595,086
Less provision for impairment	(9,720)	(10,362)
Other receivables- net	207,974	584,724
	264,249	663,748

(c) Other receivables comprise mainly of loans, advances, interest and dividend receivable from group companies.

THE COMPANY	Other receivables		
	Loans	Others	Total
2022	Rs'000	Rs'000	Rs'000
Subsidiary companies	6,000	201,974	207,974
2021			
Subsidiary companies	276,000	308,724	584,724

(d) Impairment of amount receivable from group companies

The group uses the simplified approach to calculate for its ECL. Management has segregated the receivables book between a performing book (PB) and non-performing book (NPB) and have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. An LGD (loss given default) proxy of 22% - 62% (2021: 20% - 65%) was used for counterparties which is representative of the corporate client's exposure.

At June 30, 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	14%	
Gross carrying amount	158,539	10,611	11,785	96,804	277,739
Loss allowance	-	-	-	(13,490)	(13,490)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

19. AMOUNTS RECEIVABLE FROM GROUP COMPANIES (CONT'D)

(d) Impairment of amount receivable from group companies (cont'd)

At June 30, 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	7%	
Gross carrying amount	130,495	12,091	333,906	200,416	676,908
Loss allowance	-	-	-	(13,160)	(13,160)

The closing loss allowances as at June 30, 2022 and 2021 reconcile to the opening loss allowances as follows:

THE COMPANY	2022	2021
	Rs'000	Rs'000
At July 1,	(13,160)	(11,103)
Loss allowance recognised in profit or loss during the year	(330)	(2,057)
At June 30,	(13,490)	(13,160)

At June 30, 2022, amounts receivable from group companies were impaired by Rs.13,490,000 (2021: Rs.13,160,000). The carrying amount of receivables from group companies approximate their fair value.

(e) Amounts receivable from group companies are denominated in Mauritian rupees.

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

(g) Critical accounting estimates

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(a) Accounting policy

Non-current assets classified as held for sale relate to land earmarked for future sale, development projects and investment earmarked for sale during the coming year. They are measured at the lower of carrying amount and fair value less costs to sell if the carrying amount is recovered principally through sales. This condition is regarded as met only when the sales are highly probable and the asset is available for immediate sale in their present condition.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

(b) Non-current assets classified as held for sale

	THE GROUP	
	2022	2021
Disclosed as follows:	Rs'000	Rs'000
Land classified as held for sale (note (i))	-	-
Investment properties classified as held for sale	-	19,100
Total non-current assets classified as held for sale	-	19,100

(i) Assets classified as held for sale

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At July 1,	19,100	40,790
Disposals	(19,100)	(21,690)
At June 30,	-	19,100

These assets have been classified as non-current assets held for sale as the intention is to dispose of them within one year.

(c) Liabilities directly associated with non-current assets classified as held for sale:

	2022	2021
	Rs'000	Rs'000
Trade and other payables	-	400

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

21. STATED CAPITAL

(a) Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new share are shown in equity as deduction, net of tax, from proceeds. Where the company purchases its equity stated capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in equity attributable to the company's equity holders.

(b) THE GROUP AND THE COMPANY

	2022		2021	
	Number of shares	Rs'000	Number of shares	Rs'000
At July 1, & June 30,	1,074,996,326	3,607,987	1,074,996,326	3,607,987

The stated capital as at the reporting date is made up as follows:

	2022		2021	
	Number of shares	Rs'000	Number of shares	Rs'000
Ordinary A shares	374,996,326	3,607,987	374,996,326	3,607,987
Restricted redeemable shares	700,000,000	0.10	700,000,000	0.10
	1,074,996,326	3,607,987	1,074,996,326	3,607,987

The above shares have no par value.

(c) *Ordinary A shares*

An ordinary A share confers on the holder the following rights:

-the right to vote at meetings of shareholders;

-subject to the rights of any other class of shares, the right to an equal share in dividend and other distributions made by the company; and

-subject to the rights of any other class of shares, the right to an equal share in the distribution of the surplus assets of the company on its liquidation.

(d) *Restricted redeemable shares (RRS)*

A restricted redeemable share has no economic rights but confers on the holder the following rights:

-the right to vote at meetings of shareholders;

-subject to the rights of any other class of shares, no right to dividend and other distributions made by the company;

-no right to be transferred except with the consent of the holders of at least 75% of the shares of that class; and

-the right to participate in a bonus issue of any class of shares having voting rights so that on an issue of bonus shares such number of RRS be allotted to the holder of RRS in order that the proportion of RRS compared to shares having voting rights are maintained and not varied.

There is no contractual obligation to deliver cash or any financial obligation to the holder as these are redeemable at the option of the company.

(e) TREASURY SHARES

THE GROUP AND THE COMPANY	2022		2021	
	Number of shares	Rs'000	Number of shares	Rs'000
At July 1, and June 30,	7,560,362	250,000	7,560,362	250,000

The reserves of the company's treasury shares comprises the cost of the company's shares held by the group. At June 30, 2022, the group held 7,560,362 of the company's shares (2021: 7,560,362).

(f) **Critical accounting estimates**

Restricted redeemable shares (RRS)

Taking into account the rights attached to RRS in note (d) above , it is appropriate that RRS is classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS

(a) **Accounting policy**

Borrowings are recognised initially at fair value being their issue proceeds net of direct issue costs. Borrowings are subsequently measured at amortised cost using the effective interest rate which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position.

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.

The group presents lease liabilities related to right of use assets in 'borrowings' in the Statements of Financial Position.

Lease liabilities related to right of use assets are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group has lease contracts for various items of land, building, plant and equipment and motor vehicles used in its operations. Leases of land generally have lease terms between 1.4 to 66 years, buildings have lease terms between 1.9 to 19 years, while plant, equipment and motor vehicles have lease terms between 1.4 to 10 years. The group's obligations under its leases are secured by the lessor's title to leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

Lease payments included in the measurement of the lease liability comprise the following:

• fixed payments, including in-substance fixed payments;

• variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable under a residual value guarantee; and

• the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group are reasonably certain not to terminate early.

Lease liabilities related to right of use assets are subsequently measured at amortised cost using the effective interest method. Lease liabilities are subject to remeasurement if there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. Upon remeasurement, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The group recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(a) Accounting policy (cont'd)

Leases - Estimating the incremental borrowing rate

The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Covid-19-related rent concessions

The group has applied Covid-19-Related Rent Concessions – Amendment to IFRS 16. The group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the group assesses whether there is a lease modification.

When a lessor permits a lessee to defer a lease payment, we believe the lessee may account for the concession by continuing to account for the lease liability and right-of-use asset using the rights and obligations of the existing lease and recognising a separate lease payable (that generally does not accrue interest) in the period that the allocated lease cash payment is due. In this case, the lessee would reduce the lease payable when it makes the lease payment at the revised payment date.

This approach of recording a lease payable for the future payment would allow the lease liability to be accreted using the original incremental borrowing rate and would result in a lease liability balance of zero at the end of the lease term (i.e., the lessee would not need to revisit the accretion of its lease liability based on the revised timing of payments). In many cases, this will allow a lessee to use its existing systems to account for the lease liability using the existing payment schedule and discount rate.

Debentures

Debentures are recognised initially at fair value being the issue proceeds net of transaction costs incurred. Debentures are subsequently stated at amortised cost. Debentures 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.

Liabilities at fair value through profit or loss

Financial liabilities in this category are those that are not held for trading and have been designated at fair value through profit or loss as they contain an embedded derivative. These are recorded in the statement of financial position at fair value.

Changes in fair value are recorded in profit and loss. Interest incurred on financial liabilities designated at FVPL is accrued in interest expense.

During the financial year 2022, a subsidiary of the group issued redeemable bonds at a nominal value of Rs.325m, to which the bondholders are entitled to fixed interest and variable performance return. The bonds are redeemable at maturity in 2030 and convertible into a variable number of shares of a subsidiary of the group. The bond also includes certain call options by the issuer and put options by the subscriber for early redemption/ conversion of the bonds as from 2027. The terms of the conversion options are such that they meet the definition of an embedded derivative. As such, the group has classified the instrument as a financial liability at fair value through profit or loss.

Valuation process

The group determines the policies and procedures for the fair valuation of the redeemable convertible bond. The process involves the selection of appropriate methodology, gathering of market knowledge, development of assumptions and specific information. The fair value of the instrument has been broken down into four components, bonds, performance return, call option and put option.

The fair value of the Bond and Performance Return was determined using the discounted cash flow approach. The projected cashflows from the Bond and the Performance Return was discounted using the Mauritian Rupees Risk Free Curve which was interpolated using the Nelson Svensson Siegel (NSS) Model. A credit spread was then assigned to the underlying and added to the risk free rates or discounting purposes.

The fair value of the call and put option is dependent on the value of the share price of the underlying. In calculating the value of the options at respective time intervals, parameters such as the probability of the share price of the underlying going up or down and risk free rate/credit risk adjusted risk free rate have been estimated. The fair value of the asset or liability is calculated as the sum of the fair value of the bond, performance return, put option minus fair value of call option.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Non-current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Secured fixed and variable rate notes (note (c) and (f))	**4,819,530**	5,055,531	**-**	-
Debentures (note (d) and (f))	**912,805**	804,905	**-**	-
Bond notes (note (e))	**3,491,673**	3,488,819	**3,491,673**	3,488,819
Bank loans (note (h))	**8,887,575**	13,991,498	**2,777,767**	3,182,236
Lease liabilities (note (i) and (g))	**918,621**	942,645	**9,122**	14,822
Shareholders' loans	**3,300**	-	**-**	-
Loans from other companies	**77,700**	51,333	**-**	-
Redeemable notes (j)	**4,741,000**	-	**-**	-
Convertible bonds (k)	**116,500**	127,200	**-**	-
Liabilities at fair value through profit or loss (l)	**325,000**	-	**-**	-
	24,293,704	24,461,931	**6,278,562**	6,685,877

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**1,218,252**	1,543,179	**-**	-
Bank loans (note (h))	**4,100,242**	3,282,672	**610,902**	511,753
Secured fixed and variable rate notes (note (c) and (f))	**1,000,000**	-	**-**	-
Debentures (note (d) and (f))	**42,100**	31,600	**-**	-
Bond notes (note (e))	**73,113**	72,336	**73,113**	72,336
Lease liabilities (note (i) and (g))	**207,087**	198,025	**6,195**	7,569
Shareholders' loans	**3,300**	-	**-**	-
Loans from other companies	**-**	68,000	**-**	-
	6,644,094	5,195,812	**690,210**	591,658
Total borrowings	**30,937,798**	29,657,743	**6,968,772**	7,277,535

(c) Secured variable rate notes

On March 16, 2015, a subsidiary company issued 30,000 secured floating rate notes on a private placement as follows:

Note description	Maturity	Interest rate
Tranche A (10,000 notes at Rs.50,000 per note)	March 16, 2021	Reference Bank of Mauritius repo rate + 1.35% p.a
Tranche B (10,000 notes at Rs.50,000 per note)	March 16, 2023	Reference Bank of Mauritius repo rate + 1.85% p.a
Tranche C (10,000 notes at Rs.50,000 per note)	March 16, 2025	Reference Bank of Mauritius repo rate + 2.35% p.a

These notes are secured by a floating charge over all the assets of the subsidiaries being financed.

On November 29, 2019, a subsidiary issued a mixture of 1.5m secured floating and fixed rate notes and on May 05, 2020, 0.5m secured floating rate notes on private placement as follows:

Note description	Maturity	Interest rate
Tranche 3 Years (0.50m notes at Rs1,000 per note)	November 29, 2022	Reference Bank of Mauritius repo rate + 0.65% p.a
Tranche 5 Years (0.25m notes at Rs1,000 per note)	November 29, 2024	Reference Bank of Mauritius repo rate + 0.95% p.a
Tranche 5 Years (0.25m notes at Rs1,000 per note)	November 29, 2024	Fixed rate 4.90% p.a
Tranche 7 Years (0.25m notes at Rs1,000 per note)	November 29, 2026	Reference Bank of Mauritius repo rate + 1.30% p.a
Tranche 7 Years (0.25m notes at Rs1,000 per note)	November 29, 2026	Fixed rate 5.25% p.a
Tranche 10 Years (0.50m notes at Rs1,000 per note)	November 05, 2030	Reference Bank of Mauritius repo rate + 1.70% p.a

During the year, a subsidiary company issued 1,500 bonds at a nominal price of Rs.1m per bond (2021: Rs1.m) out of an approved bond programme of Rs 2.5bn.

Note description	Maturity	Interest rate
Tranche 7 Years (262 notes at Rs1m per note)	December 29, 2027	Blended rate 3.70% p.a
Tranche 10 Years (538 notes at Rs1m per note)	December, 29 2030	Blended rate 3.89% p.a
Tranche 15 Years (700 notes at Rs1m per note)	December 29, 2035	Blended rate 4.31% p.a

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(c) **Secured variable rate notes (cont'd)**

These notes are secured by a floating charge over all the assets of the subsidiary which issued the notes and of the subsidiaries being financed.

Another subsidiary company has issued secured floating rate notes which are repayable on January 12, 2027. The notes bear interest rates of Repo + 2-3% per annum.

The notes are secured by:

- A first rank fixed charge in respect of each immovable property of the subsidiary;

- An assignment of all rent and other receivables arising or that may arise under the lease agreements; and

- A shortfall undertaking by the group.

(d) **Debentures**

A subsidiary company has in issue 17,556,676 redeemable bonds at an issue price of Rs.12.00 each, totalling Rs.210.7m. Salient features of the debentures are as follows:

A coupon rate of 6.0% per annum in respect of each financial year over 10 consecutive years, will be paid to bondholders out of the profits of the entity. This will be paid in priority to dividends payable to Class A ordinary shareholders and preference shareholders. Coupon payment shall be paid in June of each financial year.

Debenture holders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the entity.

Debentures shall be redeemed automatically on the 30th June of every financial year over 5 consecutive years starting June 30, 2021, without paying any additional fee.

Another subsidiary of the group issued new debentures amounting to Rs.150m during the year. These debentures will mature on September 30, 2026 and bear interest at 6% per annum.

The outstanding balance of debentures payable at June 30, 2022 amounted to Rs.954.9m (2021: Rs.836.5m).

(e) **Bond notes**

The company has issued Rs.3.5bn of fixed and floating interest rates and tenors as follows:

- Secured fixed rate notes of Rs.2.22bn, with tenors between 5 to 10 years and bearing interest rate between 5.5% and 6.30%.

- Secured floating rate notes of Rs 1.28bn, with tenors between 5 to 10 years and bearing interest rate of repo rate + 1.3% and + 1.85%.

Interest is paid semi-annually in arrears in July and January of each year starting July 31, 2019.

The notes are secured partly by a fixed charge on land and partly by a pledge of listed securities owned either directly or indirectly by the company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(f) The borrowings include secured liabilities amounting to Rs.30.9bn (2021: Rs.29.7bn) for the group and Rs.7.0bn (2021: Rs.7.3bn) for the company. Borrowings are secured by fixed and floating charges on the assets of the group and by pledge of shares.

(g) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

(h) Bank loans and bond notes

Bank loans are secured and bear interest rates as disclosed per note 22(m). The maturity of non-current borrowings is as follows (excluding lease liabilities):

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
- after one year and before two years	**2,571,634**	2,371,021	**1,622,645**	624,665
- after two years and before five years	**8,225,038**	8,501,318	**2,154,524**	1,920,913
- after five years	**12,578,411**	12,519,747	**2,492,271**	4,125,477
	23,375,083	23,392,086	**6,269,440**	6,671,055

(i) Lease liabilities

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,140,670**	1,424,849	**22,391**	30,287
Additions	**232,710**	59,412	**-**	-
Remeasurement of lease liabilities	**3,900**	(27,600)	**472**	-
Interest expense	**4,622**	78,908	**(7)**	1,124
Rent concession	**(2,200)**	(21,200)	**-**	-
Lease payment	**(225,694)**	(276,173)	**(7,539)**	(9,020)
Exchange difference	**(11,000)**	6,200	**-**	-
Disposal of subsidiaries	**(15,000)**	(104,400)	**-**	-
Termination of lease	**(2,300)**	-	**-**	-
Transfer of lease	**-**	674	**-**	-
At June 30,	**1,125,708**	1,140,670	**15,317**	22,391
Analysed as follows:				
Current	**207,087**	198,025	**6,195**	7,569
Non-current	**918,621**	942,645	**9,122**	14,822
	1,125,708	1,140,670	**15,317**	22,391
The gross payments of lease liabilities are analysed as follows:				
- not later than one year	**234,854**	207,129	**6,895**	8,662
- after one year and before two years	**332,572**	444,117	**5,824**	6,891
- after two years and before five years	**327,833**	313,468	**552**	5,993
- after five years	**357,853**	385,285	**10,774**	8,918
Total lease liabilities	**1,253,112**	1,349,999	**24,045**	30,464
Less interest	**(127,404)**	(209,329)	**(8,728)**	(8,073)
Discounted lease liabilities	**1,125,708**	1,140,670	**15,317**	22,391

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(i) Lease liabilities (cont'd)

• Amounts recognised in profit or loss	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Leases under IFRS 16				
Interest on lease liabilities	**59,677**	66,453	**886**	1,124
Variable lease payments not included in the measurement of lease liabilities	**600**	300	**-**	-
Income from sub-leasing right of use assets presented in 'other revenue'	**21,700**	11,100	**-**	-
Expenses relating to short-term leases	**22,100**	44,000	**-**	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**11,100**	26,300	**-**	-
• Amounts recognised in statement of cash flows				
Total cash outflow for leases	**262,953**	214,775	**7,539**	7,928

The group leases out its investment property. The group has classified those leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The group leases some plant and equipment and motor vehicles under finance leases. The leases have purchase options on termination. There are no restrictions imposed on the group by lease arrangements.

(j) Redeemable notes

During the financial year 2022, Ascencia Limited, a subsidiary company has issued 4,760 notes at a nominal issue price of Rs 1m per note and total amounting to Rs 4.7bn. Salient features of the notes are as follows:

- The blended interest rate is 3.82% and interest is paid bi-annually. The interest rate shall also vary according to the loan rating.

- Note holders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the Company.

- The notes can be redeemed by the issuer at anytime after the 5th anniversary.

- The average tenor of the notes in issue is 9.3 years and will be redeemed in bullet at maturity.

(k) Convertible bonds

During the financial year 2021, VLH Ltd, a subsidiary company, entered into a bond agreement with the Mauritius Investment Corporation Ltd (''MIC''), a company set up by the Bank of Mauritius, to provide financial support to companies heavily impacted by COVID-19. The agreement stipulates that VLH Ltd will issue convertible bonds in favour of MIC amounting to Rs.1,300m. On June 28, 2021, a first issue of 60 secured redeemable convertible bonds with a nominal value of Rs.10m per bond were issued, raising a total of Rs.600m and bearing interest rate at 3.2% per annum and a maturity of 9 years. The bonds are regarded as compound financial instruments and have an equity portion (Rs.467.4m) and a liability component (Rs.127.2m). The cost directly attributable to the bond of Rs.5.4m has been expensed to the statements of profit or loss.

(l) Liabilities at fair value through profit or loss

Non current	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Additions	**325,000**	-
At June 30,	**325,000**	-

Financial liabilities are classified under level 3 of the fair value hierarchy.

	Valuation technique 2022	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
Redeemable convertible bonds	DCF and option pricing	Volatility of underlying share price	12.00%	The expected fair value will (decrease)/ increase by Rs.0.3m, if the volatility of underlying share price will be higher or lower by 10%.
		Credit Spread	2.00% - 2.50%	The expected fair value will (decrease)/ increase by Rs.4.3m and Rs.4.1m, if the credit spread will be higher or lower by 0.25%.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

22. BORROWINGS (CONT'D)

(m) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	%	%	**%**	%
Secured variable rate notes	**Repo+0.65-3.00**	Repo+0.65-3.00	**-**	-
Bank overdrafts	**4.1 - 6.1**	4.1 - 6.75	**4.5-4.65**	4.10-4.85
Bank loans	**1.5-6**	1-8	**3.65-4.5**	4.1
Bond notes	**3.55-6.3**	3.85-6.3	**3.55-6.3**	3.15-6.30
Loans from other companies	**4**	4	**-**	-
Debentures	**6**	6.00-7.00	**-**	-
Lease liabilities	**1-8**	1-8	**5.60-6.25**	5.60-6.25

(n) The exposure of the group's borrowings to the interest rate changes and the contractual repricing dates are disclosed above.

(o) The carrying amounts of borrowings are not materially different from their fair value.

(p) Critical accounting estimates

Determining the lease term of contracts with renewal and termination options - group as lessee

The group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, that is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Liabilities at fair value through profit or loss

The fair value of financial instruments is the price that would be paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of EBITDA growth rate, discount factor including credit spread, volatility and return on share price.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

23. DEFERRED INCOME TAXES

(a) **Accounting policy**

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

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 profits will be available against which deductible temporary differences can be utilised.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amount of such properties is presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within 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.

(b) Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

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

Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

At the end of the reporting period, the group and the company had unused tax losses of Rs.1,779m and Rs.1,314m respectively (2021: Rs.1,453m and Rs.1,025m respectively) available for offset against future profits. A deferred tax asset of Rs.18.5m (2021: Rs.12.5m) has been recognised by the group in respect of part of these losses. No deferred tax asset has been recognised in respect of remaining losses due to the unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years except for losses attributable to annual allowances claimed in respect of capital expenditure.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**239,838**	247,832	**73,749**	71,908
Deferred tax liabilities	**(1,026,075)**	(1,094,316)	**-**	-
Net deferred tax (liabilities)/assets	**(786,237)**	(846,484)	**73,749**	71,908

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

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(846,484)**	(781,413)	**71,908**	72,355
Disposal of subsidiary	**-**	(81)	**-**	-
Credited/(charged) to profit or loss	**58,635**	(68,609)	**(2,523)**	585
Credited/(charged) to other comprehensive income	**1,612**	3,619	**4,364**	(1,032)
At June 30,	**(786,237)**	(846,484)	**73,749**	71,908

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

23. DEFERRED INCOME TAXES (CONT'D)

(d) The movement in deferred income tax assets and liabilities during the year is as follows:

THE GROUP

(i) 2022	At July 1, 2021	Disposal of subsidiary	Credited/ (charged) to profit or loss	(Charged)/ credited to other comprehensive income	At June 30, 2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	(544,529)	-	113,372	(2,074)	(433,231)
Asset revaluations	(220,936)	-	(1,789)	-	(222,725)
Impairment/fair value	(298,338)	-	(42,549)	800	(340,087)
Straightlining of rental income	(39,994)	-	(358)	-	(40,352)
Extended warranty	9,481	-	839	-	10,320
Tax losses	(12,539)	-	(13,215)	-	(25,754)
Lease liabilities	52,105	-	1,477	-	53,582
Employee benefits liabilities	203,027	-	(1,246)	2,886	204,667
Estimated credit losses	5,239	-	2,104	-	7,343
Deferred tax (liabilities)/assets	**(846,484)**	**-**	**58,635**	**1,612**	**(786,237)**
(ii) 2021					
Accelerated tax depreciation	(449,311)	5,358	(100,576)	-	(544,529)
Asset revaluations	(236,025)	-	12,679	2,410	(220,936)
Impairment/fair value	(310,532)	(23)	12,217	-	(298,338)
Straightlining of rental income	(19,294)	-	(20,700)	-	(39,994)
Extended warranty	-	-	9,481	-	9,481
Tax losses	(3,121)	-	(9,418)	-	(12,539)
Lease liabilities	45,330	(4,824)	11,599	-	52,105
Employee benefits liabilities	185,747	(586)	16,657	1,209	203,027
Estimated credit losses	5,793	(6)	(548)	-	5,239
Deferred tax (liabilities)/assets	(781,413)	(81)	(68,609)	3,619	(846,484)

(e) THE COMPANY

2022	At July 1, 2021	Credited/ (charged) to profit or loss	Credited to other comprehensive income	At June 30, 2022
	Rs'000	Rs'000	Rs'000	Rs'000
Asset revaluations	(836)	-	-	(836)
Accelerated tax depreciation	8,501	204	-	8,705
Estimated credit losses	4,527	435	-	4,962
Employee benefits liabilities	59,716	(3,162)	4,364	60,918
Deferred tax assets/(liabilities)	**71,908**	**(2,523)**	**4,364**	**73,749**
2021				
Asset revaluations	(836)	-	-	(836)
Accelerated tax depreciation	7,639	862	-	8,501
Estimated credit losses	4,527	-	-	4,527
Employee benefits liabilities	61,025	(277)	(1,032)	59,716
Deferred tax assets/(liabilities)	72,355	585	(1,032)	71,908

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

23. DEFERRED INCOME TAXES (CONT'D)

(f) Critical accounting estimates

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the group's investment property portfolio and have concluded that none of the 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. As a result, the group has not recognised deferred tax on changes in the fair value of its investment properties as the group is not subject to capital gains tax on disposal of its investment properties.

24 DEFERRED RENT ASSETS

(a) Accounting policy

Deferred rent assets arise from the straightlining of rental income.

(b) DEFERRED RENT ASSETS	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**2,200**	1,179	**2,200**	1,314
Movement	**1,983**	1,021	**1,983**	886
At June 30,	**4,183**	2,200	**4,183**	2,200

25. DEFERRED INCOME

(a) Accounting policy

The deferred income arises as a result of the capital grants received by AFD following their capital expenditure incurred on plant and machinery. This deferred income will be released to other income on the lifetime of the asset. Deferred income released to other income during the year amounts to Rs.697,000 (2021: Rs.799,086).

(b)

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Arising from (Agence Francaise de Développement (AFD)) grant	**11,569**	11,629

	2022	2021
	Rs'000	Rs'000
At July 1,	**11,629**	7,412
Additions	**637**	5,016
Income recognised	**(697)**	(799)
At June 30,	**11,569**	11,629

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS)

	THE GROUP		THE COMPANY	
Items of employees benefits include:	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefits assets	**(36,200)**	(35,500)	**-**	-
Retirement benefit obligations (see note (A))	**1,037,989**	1,007,424	**355,917**	348,616
Provision for vacation leaves (see note (B))	**23,657**	19,798	**2,419**	2,648
	1,061,646	1,027,222	**358,336**	351,264

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations**

(a) **Accounting policy**

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Some subsidiaries of the group contribute to defined benefit plans for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries. The liability recognised on the statement of financial position is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The assets of the plan are invested in the deposit administration policy, a pooled insurance product for group Pension Schemes, underwritten by Swan Life. It is a long-term investment Policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments.

The assessment of these obligations is carried out annually by an independent firm of consulting actuaries using the unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using rates of government bonds.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur and will not be reclassified to profit or loss in subsequent periods.

The group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs, comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements, are recognised immediately in profit or loss.

The deficit standing in the defined benefit plans are funded over a period of time by way of additional contributions computed by the actuaries and agreed with the Regulator. This deficit is monitored by the actuaries and adjusted accordingly in the event of significant changes in the deficit level.

Contributions to the National Pension Scheme and the group's defined contribution pension plans are expensed to the statements of profit or loss in the year in which they fall due.

A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity. There is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Some subsidiaries operate a defined contribution plan for all qualifying employees. Payments to defined contribution retirement plans are recognised as an expense when employees have rendered services that entitle them to the contributions. Some subsidiary companies operate defined contribution retirement plans with no worse off guarantees provided for certain employees.

Some of the subsidiary companies operate defined contribution schemes with the Sugar Industry Pension Fund.

Following an agreement with the Sugar Industry Staff Employee's Association where a pension is provided on retirement, the scheme operates as a defined benefit scheme.

The group also runs a defined contribution plan, the Rogers Pension Fund (RPF), to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees, subject to them contributing regularly to the RPF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RPF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

Retirement gratuity

For employees who are not covered (or who are insufficiently covered by the above pensions plans), the net present value of gratuity on retirement payable under the Workers Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Contributions to the Contribution Sociale Généralisée and the group's defined contribution pension plan are expensed to the Statements of Profit or Loss in the year in which they fall due.

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) Retirement benefit obligations (cont'd)

(b) Amounts recognised on the statements of financial position

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefits assets (note c)	**(36,200)**	(35,500)	**-**	-
	(36,200)	(35,500)	**-**	-
Defined pension schemes (note (d) (ii))	**619,374**	566,524	**291,418**	283,721
Other post retirement benefits (note (e) (i))	**418,615**	440,900	**64,499**	64,895
	1,037,989	1,007,424	**355,917**	348,616
Analysed as follows:				
Non-current assets	**(36,200)**	(35,500)	**-**	-
Non-current liabilities	**794,585**	1,007,425	**355,917**	348,616
Amounts charged to profit or loss:				
- Defined pension benefits (note(d)(vi))	**33,881**	55,130	**13,203**	13,504
- Other post retirement benefits (note (e)(iv))	**28,175**	55,621	**3,386**	3,059
	62,056	110,751	**16,589**	16,563
Amount charged/(credited) to other comprehensive income:				
- Defined pension benefits (note (d)(vii))	**34,902**	(4,946)	**25,471**	8,816
- Other post retirement benefits (note (e)(v))	**22,074**	(79,388)	**196**	(2,746)
	56,976	(84,334)	**25,667**	6,070

(c) Employee benefits assets - Defined pension benefits

(i) The amounts recognised on the statements of financial position are as follows:

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Present value of funded obligations	**2,450,500**	2,409,500
Fair value of plan assets	**(2,549,000)**	(2,519,200)
Excess of fair value of plan assets over present value of funded obligations	**(98,500)**	(109,700)
Impact of minimum funding requirement/asset ceiling	**62,300**	74,200
Asset in the statements of financial position	**(36,200)**	(35,500)

(ii) The movement in asset recognised on the statements of financial position is as follows:

	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At July 1,	**(35,500)**	(59,000)
Charged to profit or loss	**2,900**	3,300
(Credited)/charged to other comprehensive income	**(3,400)**	20,500
Contributions paid	**(200)**	(300)
At June 30,	**(36,200)**	(35,500)

(iii) The group expects to pay Rs.211m (2022: Rs.222m) as contributions for the year ended June 30, 2023.

(iv) The weighted average duration of the defined benefit obligation is 10.5 years (2021: 10.3 years) for the group at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) Retirement benefit obligations (cont'd)

(d) Retirement benefit obligation - Defined pension benefits

(i) The group operates defined benefit pension plans for some of its subsidiary companies. They provide for a pension at retirement and benefit on death or disablement in service before retirement. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2022.

(ii) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**1,396,940**	1,264,026	**483,840**	461,233
Present value of unfunded defined benefit obligations	**3,614**	2,596	**-**	-
Fair value of plan assets	**(781,180)**	(700,098)	**(192,422)**	(177,512)
Deficit of funded plans	**619,374**	566,524	**291,418**	283,721

(iii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**566,524**	594,327	**283,721**	289,217
Charged to profit or loss	**33,881**	55,130	**13,203**	13,504
Charged/(credited) to other comprehensive income	**34,902**	(4,946)	**25,471**	8,816
Contributions paid	**(76,438)**	(77,987)	**(30,977)**	(27,816)
Transfer from other retirement benefits	**60,505**	-	**-**	-
At June 30,	**619,374**	566,524	**291,418**	283,721

(iv) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,266,622**	1,255,303	**461,233**	458,626
Current service cost	**23,686**	24,429	**2,557**	2,151
Past service cost	**(18,736)**	11,055	**491**	2,555
Interest cost	**52,501**	36,000	**13,738**	11,461
Actuarial loss	**91,057**	61,474	**39,945**	26,587
Employee contributions	**1,387**	2,347	**13**	33
Liability gains due to change in financial assumptions	**(409)**	(51,418)	**(3,972)**	(21,510)
Liability gains due to change in demographic assumptions	**(2,700)**	-	**-**	-
Benefits paid	**(61,163)**	(74,850)	**(28,089)**	(28,927)
Liability experience (gain)/loss	**(12,196)**	2,282	**(2,076)**	10,257
Transfer from other post retirement benefits	**60,505**	-	**-**	-
At June 30,	**1,400,554**	1,266,622	**483,840**	461,233

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) Retirement benefit obligations (cont'd)

(d) Retirement benefit obligation - Defined pension benefits (cont'd)

(v) The movement in the fair value of plan assets during the year is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(700,098)**	(660,976)	**(177,512)**	(169,409)
Employer contributions	**(76,438)**	(77,980)	**(30,977)**	(27,817)
Employee contributions	**(1,387)**	(2,347)	**(13)**	(33)
Scheme expenses	**719**	686	**438**	304
Interest income	**(24,794)**	(18,209)	**(4,231)**	(3,351)
Cost of insuring risk benefits	**505**	869	**210**	384
Benefits paid	**61,163**	74,850	**28,089**	28,927
Actuarial gains	**(40,850)**	(17,291)	**(8,426)**	(6,517)
Translation difference	**-**	300	**-**	-
At June 30,	**(781,180)**	(700,098)	**(192,422)**	(177,512)

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**23,686**	24,429	**2,557**	2,151
Past service cost	**(18,736)**	11,055	**491**	2,555
Cost of insuring risk benefits	**505**	869	**210**	384
Interest cost	**27,707**	18,091	**9,507**	8,110
Scheme expenses	**719**	686	**438**	304
Total included in employee benefit expense (note 34(b))	**33,881**	55,130	**13,203**	13,504

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Losses on pension scheme assets	**(28,102)**	(14,659)	**(5,107)**	(3,085)
Liability experience losses	**7,282**	8,372	**7,768**	18,462
Liability gains due to change in financial assumptions	**(409)**	(51,418)	**(3,972)**	(21,510)
Liability gains due to change in demographic assumptions	**(2,700)**	-	**-**	-
Return on plan assets	**(12,748)**	(2,633)	**(3,319)**	(3,433)
Changes in assumptions underlying the present value of the scheme	**71,579**	55,392	**30,101**	18,382
Actuarial losses recognised in other comprehensive income	**34,902**	(4,946)	**25,471**	8,816

(viii) The principal assumptions used for accounting purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Discount rate	**1.1-5.3**	1.3-5.0	**1.1-4.4**	1.3-4.2
Expected return on plan assets	**2.7**	2.5	**2.7**	2.5
Future salary increases	**2.0**	2.5-3.0	**2.0**	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits (cont'd)**

(ix) The allocation of the plan assets at the end of the reporting period is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Qualifying insurance policies*	**19.17**	18.46	**-**	-
Local equities	**19.78**	18.25	**25.00**	23.00
Overseas equities	**21.13**	19.29	**28.00**	25.00
Debt	**16.06**	16.37	**25.00**	22.00
Property	**12.26**	13.19	**17.00**	18.00
Cash and cash equivalents	**9.93**	12.33	**5.00**	12.00
Investment funds	**1.67**	2.11	**-**	-
	100.00	100.00	**100.00**	100.00

* Some of the assets of the plan are invested in the deposit administration policy underwritten by Swan Life. The deposit administration policy is a pooled insurance product for group pension schemes. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as equity funds. Moreover, the deposit administration policy offers a minimum guaranteed return of 4%.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(x) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2022	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**102,972**	**20,444**
Increase due to 1% decrease in discount rate	**89,469**	**23,383**
Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumptions	**22,526**	**2,359**
Decrease in Defined Benefit Obligation due to 1% decrease in Future long-term salary assumptions	**19,866**	**2,136**

	THE GROUP	THE COMPANY
June 30, 2021	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	89,919	23,214
Increase due to 1% decrease in discount rate	102,664	26,759
Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumptions	20,253	2,669
Decrease in Defined Benefit Obligation due to 1% decrease in Future long-term salary assumptions	17,883	2,449

The sensitivity analysis has been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligations have been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The defined pension plans expose the group to actuarial risks such as longevity risk, salary risk, interest risk and market (investment) risk.

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits (cont'd)**

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Market (investment risk)

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Longevity and salary risks are applicable to defined benefit plan only.

(xii) The group expects to pay Rs.89.4m (2022: Rs.71m) respectively as contributions to their post-employment benefit plans for the year ended June 30, 2023.

(xiii) The weighted average duration of the defined benefit obligation is between 1 and 20 years (2021: 2 and 16 years) for the group at the end of the reporting period.

(e) **Other post retirement benefits**

Other post retirement benefits comprise of gratuity on retirement payable under the Workers' Rights Act 2019 and other benefits.

(i) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**418,615**	440,900	**64,499**	64,895

(ii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**440,900**	496,788	**64,895**	69,759
Charged to profit or loss	**28,175**	55,414	**3,386**	3,059
Charged/(credited) to other comprehensive income	**22,074**	(79,388)	**196**	(2,746)
Employer contributions	**(29,520)**	(28,470)	**(3,973)**	(5,177)
Liability acquired	**17,491**	-	**-**	-
Transfer to other retirement benefits	**(60,505)**	-	**(5)**	-
Disposal of subsidiary	**-**	(3,444)	**-**	-
At June 30,	**418,615**	440,900	**64,499**	64,895

(iii) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**440,900**	496,788	**64,895**	69,758
Effect of curtailments/settlements	**(794)**	(207)	**-**	-
Current service cost	**15,691**	22,620	**1,483**	1,325
Past service cost and gains and losses on settlements	**507**	18,299	**-**	-
Interest expense	**12,771**	14,702	**1,903**	1,734
Actuarial losses	**12,131**	(1,414)	**(191)**	(5,753)
Liability experience losses/(gains)	**12,543**	(41,335)	**214**	818
Liability (gains)/losses due to change in financial assumptions	**(651)**	(18,139)	**173**	-
Liability (gains)/losses due to change in demographic assumptions	**(1,949)**	(18,500)	**-**	2,190
Benefits paid	**(29,520)**	(28,470)	**(3,973)**	(5,177)
Liability acquired	**17,491**	-	**-**	-
Transfer to other retirement benefits	**(60,505)**	-	**(5)**	-
Disposal of subsidiary	**-**	(3,444)	**-**	-
At June 30,	**418,615**	440,900	**64,499**	64,895

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(e) **Other post retirement benefits (cont'd)**

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**15,691**	22,620	**1,483**	1,325
Effect of curtailments/settlements	**(52)**	-	**-**	-
Past service cost	**(235)**	18,299	**-**	-
Interest expense	**12,771**	14,702	**1,903**	1,734
Total included in employee benefit expense (note 34(b))	**28,175**	55,621	**3,386**	3,059

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience losses/(gains)	**19,264**	(54,996)	**(893)**	(6,010)
Liability gains due to change in demographic assumptions	**(2,900)**	(18,500)	**-**	-
Liability losses/(gains) due to change in financial assumptions	**1,242**	(17,154)	**1,089**	2,190
Changes in assumptions underlying the present value of the scheme	**4,468**	11,262	**-**	1,074
Actuarial losses recognised in other comprehensive income	**22,074**	(79,388)	**196**	(2,746)

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	%	%	**%**	%
Discount rate	**0.6-5.8**	2.1-6.2	**2.7-3.3**	2.8-3.2
Future long term salary increase	**2.0-3.0**	2.5-3.0	**2.0**	2.5
Future guaranteed pension increase	**0.5-3.0**	1.0-3.0	**2.0**	2.0

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2022	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**43,066**	**2,921**
Increase due to 1% decrease in discount rate	**59,134**	**3,236**
Increase due to 1% increase in future long-term salary assumptions	**38,792**	**24,758**
Decrease due to 1% decrease in future long-term salary assumptions	**37,395**	**25,371**

	THE GROUP	THE COMPANY
June 30, 2021	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	41,899	3,223
Increase due to 1% decrease in discount rate	59,503	3,590
Increase due to 1% increase in future long-term salary assumptions	37,935	26,887
Decrease due to 1% decrease in future long-term salary assumptions	36,902	27,406

(viii) The weighted average duration of the defined benefit obligation is between 3 and 26 years (2021: 1 and 38 years) for the group at the end of the reporting period.

(B) **Provision for vacation leaves**

(a) **Accounting policy**

Vacation leave and other compensated absences with similar characteristics are accrued as a liability, as stipulated under long term benefits in IAS 19, as these benefits are earned by eligible employees based on past service and it is probable that the employer will compensate these employees for the benefits through paid time off or cash payments.

The assessment of this provision is carried out annually by management for eligible employees. Such employees are those who fall under the definition of a worker under The Workers' Rights Act 2019 and have covered a qualifying period of service.

The liability is measured using forecasted salary rates of the workers at the time of entitlement, which is then reduced by the average staff turnover applicable to the company. The present value of the vacation leave provision is determined by discounting the estimated future cash flows using rates of government bonds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(B) **Provision for vacation leaves (cont'd)**

(b) **The movement in the liability during the year is as follows:**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**19,798**	-	**2,648**	-
Release during the year	**(279)**	(1,242)	**(229)**	-
Charge for the year	**4,138**	21,040	**-**	2,648
At June 30,	**23,657**	19,798	**2,419**	2,648

(c) **The principal assumptions used for the purpose of computing the provision were as follows:**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	%	%	**%**	%
Discount rate	**2.1-5.0**	2.4-4.2	**2.2**	2.6
Staff turnover	**2.0-25.0**	2.0-78.0	**15.0**	15.0
Future long term salary increase	**2.0-2.5**	2.5-5.0	**2.0**	2.5

(d) **Sensitivity analysis on provision for vacation leaves at end of the reporting period:**

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Change by 1% in discount rate	**31**	76	**1**	1
Change by 1% in staff turnover	**141**	173	**1**	1
Change by 1% in future long-term salary assumptions	**190**	207	**1**	1

(e) **Critical accounting estimates**

Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Provision for vacation leaves

The present value of the provision for vacation leaves depend on a number of factors that are determined using a number of assumptions, which includes the discount rate. Any change in these assumptions will impact the carrying amount of the provision.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of the cost of the vacation leave. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that have maturity approximating the terms of the related provision.

27. TRADE AND OTHER PAYABLES

(a) **Accounting policy**

Trade and other payables

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

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**2,085,863**	1,488,743	**7,392**	3,850
Other payables and accruals	**2,818,106**	2,685,543	**49,543**	41,792
	4,903,969	4,174,286	**56,935**	45,642

Trade and other payables are denominated in Mauritian rupees and their carrying amounts approximate their fair values. Trade and other payables are repayable within one year.

Other payables include unearned merchant discount, unearned insurance and retention of payment to contractors for construction of villas.

Accruals consist of expenses accrued in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

28. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

(a) **Accounting policy**

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the group has received full or partial consideration from the customer. In cases where the customer pays consideration before the group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the group performs under the contract. The group also derives income from sales of land options. A land option gives the customer the option to buy a property in the future against an upfront payment. The proceeds are treated as a contract liability as no performance obligation is delivered at that time until the customer buys the land or the option period expires.

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**743,325**	771,842	**-**	-
Amounts included in contract liabilities that were recognised as revenue during the year	**(1,117,234)**	(820,831)	**-**	-
Cash received in advance of performance and not recognised as revenue during the year	**1,389,923**	774,514	**33,980**	-
Exchange difference	**5,000**	17,800	**-**	-
Transfer to borrowings	**(20,600)**	-	**-**	-
At June 30,	**1,000,414**	743,325	**33,980**	-
Analysed as follows:				
Non-current	**226,700**	197,700	**-**	-
Current	**773,714**	545,625	**33,980**	-
	1,000,414	743,325	**33,980**	-

29. AMOUNTS PAYABLE TO GROUP COMPANIES

(a) **Accounting policy**

Amounts payable to group companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) THE COMPANY

	2022	2021
	Rs'000	Rs'000
Subsidiary companies	**34,942**	32,835

Amounts payable to group companies are unsecured, interest free, repayable on demand, denominated in Mauritian rupees and their carrying amounts approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

30. REVENUE

(a) Accounting policy

Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The group derives most of its revenue from selling goods and services. Revenue is recognised at a point in time when control of the goods or services rendered are actually transferred to the customer. This is generally when the goods are delivered to the customer or services provided. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. Revenue generated from the sale of goods and sale of services defined above are recognised either at a point in time or on an over time basis depending on when the control of the goods or services rendered is actually transferred to the customer. This is generally when the goods or services are delivered to the customer.

A subsidiary has entered into contracts with customers for the construction of apartments and duplexes and sale to customers on the basis of Vente En État Future D'Achèvement (VEFA). The transaction price is included in the agreement and payment is to be effected based on the relevant milestones achieved. As per the terms of the contract, the units/villas being sold to the customer has no other alternative use and the company has a right to payment for performance to date. Control passes on to the customer as and when construction progresses and hence, revenue is recognised over time.

Other than revenue from sale of villas or provision of landscaping services, all revenue generated from the sale of goods and services are recognised at a point in time.

Revenue from the sale of inventory property

Some subsidiaries enter into contracts with customers to sell property that are either completed or under development.

(i) Completed inventory property

The sale of completed property constitutes a single performance obligation and the group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

(ii) Inventory property under development

The group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g. windows, doors, cabinetry, etc.) and finishing work. The group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy. The over time recognition criteria would typically be measured using the output method by reference to the milestones/value of work certified by the valuer to the satisfaction of the performance obligation.

A subsidiary provides landscaping services to clients, with revenue recognised on an over time basis. The subsidiary recognises revenue based on stage of completion of the project, and certified by internal or external quantity surveyors.

A subsidiary is engaged in the sale of motor vehicles, parts and accessories is recognized at the point in time. It provides warranties which require the company to either replace or mend a defective product during the warranty period if the goods sold fail to comply with agreed-upon specifications. For warranties where the customer does not have the option to purchase separately and which do not provide a service in addition to the assurance that the product complies with agreed-upon specifications, the warranties are not accounted for as a separate performance obligation and hence no revenue is allocated to them separately. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It also sells maintenance contracts to customers. Revenue from these contracts are recognized over the contract period. A contract liability is recognized for payments made before service is offered.

Determining the transaction price

The group's revenue is mostly derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

30. REVENUE

(a) Accounting policy (cont'd)

Revenue from contracts with customers (cont'd)

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Each contract has a fixed price which is correspondingly allocated to performance obligations.

Other revenues earned by the group are recognised on the following bases:

(i) Rental income

Rental income is recognised on a straight line basis over the lease term.

(ii) The recognition of sugar and molasses proceeds is based on total production of the crop year. Bagasse proceeds are accounted for in the year in which it is received. Sugar prices are based on the recommendations made to all sugar companies by the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate.

(iii) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Earnings from finance leases are recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial assets. If the assets are no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

(v) Management fees are recognised when the control of services is transferred to the customer at an amount that reflects the condition to which the group expects to be entitled in exchange of those services.

(vi) Fees and commissions

Discounts received from merchants on financing of credit agreements are initially recognised and presented in other liabilities in the statements of financial position. The release to profit or loss is recognised in fee and commission income in the statements of profit or loss. Merchant discount is recognised over the period of time in line with the credit facility provided to the customers. Otherwise, commission accrues when the service is provided and billable. Other fees and commission income are recognised as the related services are performed.

(b)

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sales of goods (including property)	**7,355,162**	4,825,637	**-**	-
Sales of services	**6,474,034**	5,291,855	**-**	-
Sugar and agricultural diversification proceeds	**711,604**	482,247	**-**	-
Management and secretarial fees	**6,936**	6,957	**47,129**	43,934
Other revenue	**933,252**	293,594	**22,126**	10,994
Revenue from contracts with customers	**15,480,988**	10,900,290	**69,255**	54,928
Rental income*	**1,695,508**	1,523,493	**47,846**	52,550
Commission	**407,699**	190,131	**-**	-
Interest income calculated using the EIR	**225,500**	218,100	**-**	-
Interest and dividend income	**6,394**	9,889	**232,818**	153,417
	17,816,089	12,841,903	**349,919**	260,895

*In previous years, rental income was included as part of sale of services and it has been disaggregated for better understanding.

(c) Critical accounting estimates

Revenue recognition

Revenue is recognised over time for long-terms contracts. Management exercises judgement in determining the performance obligations. In addition, management exercises judgement in assessing whether control has been transferred to the customer before revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

31(a) OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sugar estate other operating expenses	**465,014**	425,949	**73,274**	66,391
Depreciation and amortisation	**785,014**	786,695	**12,312**	12,100
Selling and other expenses	**267,730**	290,425	**-**	-
	1,517,758	1,503,069	**85,586**	78,491

31(b) ADMINSTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefit expense	**2,699,652**	2,350,715	**68,717**	54,758
Other expenses and services including professional services	**1,270,674**	1,186,872	**200,013**	152,456
	3,970,326	3,537,587	**268,730**	207,214

32. SPECIFIC ITEMS

(a) In 2021, following an annual impairment exercise, goodwill was impaired on subsidiary and associated companies. No impairment has been recorded during this year.

(b) This relates to crystallisation of land conversion rights on sale of land.

(c) Cost of sales is made up of cost of inventories, employee benefit expense, depreciation and cost of raw materials.

(d) Profit on sale of land and investments includes gain on sale of land to a subsidiary amounting to Rs.nil (2021: Rs.nil) at company level.

(e) As per the shareholder's agreement of The Beau Vallon Shopping Mall Ltd ('BVM') there were certain rights that were granted to Atterbury Property Holdings Proprietary Limited (APH) to subscribe to shares in BVM as foreign investors. At the time of the acquisition of the remaining stake by Ascencia Limited ('Ascencia'), the shares were not yet subscribed. A payment of Rs 41.3m was effected to APH and was considered as an exit cost.

At June 30, 2021, Ascencia, a subsidiary company, held 50% of the share capital and voting rights of BVM. On 12 October 2021, Ascencia acquired the remaining 50% of the share capital and voting rights of BVM from Enatt, another subsidiary company, for a total consideration of Rs 145.5m, settled in cash. This transaction was eliminated on group and gave rise to change in effective holding in BVM without any loss of control.

(f) At June 30, 2022, the group paid a deferred consideration with regards to its investment in a subsidiary company. At June 30, 2021, the group previously acquired 50% stake in one of the its associated company. As per the share purchase agreement, the group agreed to adjust the consideration based on the number of new customers over a period of three years. A liability was recognised in the financial statements for the estimated additional consideration. During the year, the final liability was written back as no further payments are expected.

(g) Compensation received from a subsidiary company for excess contributed for land interchange.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

33. FINANCE COSTS

(a) Accounting policy

Finance costs comprise of interest on borrowings using the effective interest rate method or the contractual rate and accrue to the period end.

Interest received and paid on consumer finance business is part of the operating activities of the group.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
The finance costs are on:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Consumer finance business				
Interest expense - consumer finance business	**76,900**	73,000	**-**	-
Other financing				
- Bank overdrafts	**33,752**	40,240	**14**	18
- Bank and other loans	**1,071,535**	1,004,763	**319,915**	325,295
- Lease liabilities	**59,677**	66,453	**886**	1,124
	1,164,964	1,111,456	**320,815**	326,437
Foreign exchange (losses)/gains	**(10,745)**	(4,591)	**22**	(34)
	1,154,219	1,106,865	**320,837**	326,403
Total finance costs	**1,231,119**	1,179,865	**320,837**	326,403

34. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Profit/(loss) before taxation is arrived after:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Crediting :				
Investment income from equity investments in financial assets at fair value through profit or loss	**3,213**	8,479	**2,839**	4,202
Investment income from equity investments in financial assets at fair value through other comprehensive income held during the reporting period	**7,804**	9,900	**-**	-
Investment income from subsidiaries, jointly controlled entities and associates	**-**	-	**172,720**	94,198
Interest income	**220,872**	214,243	**57,260**	55,017
Profit on disposal of property, plant and equipment, intangible assets, investment properties and investments	**51,209**	80,384	**364,487**	11,488
Fair value gain on revaluation of investment properties and straightlining adjustment	**683,241**	829,850	**298,152**	147,739
Fair value gain on financial assets at fair value through profit or loss (see note 12(c)(ii))	**6,684**	9,880	**6,684**	9,880
and charging:				
Depreciation on property, plant and equipment	**674,315**	639,719	**7,379**	7,155
Impairment of goodwill, investments and others	**-**	62,122	**-**	-
Amortisation of intangible assets	**86,202**	76,798	**-**	1
Amortisation of deferred expenditure	**-**	43,400	**-**	-
Employee benefit expense (see note (b) below)	**2,699,652**	2,350,715	**68,717**	54,758

(a) Excess of fair value of the share of net assets over acquisition price arise upon acquisition of associated companies.

(b) Employee benefit expense

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**2,637,596**	2,239,964	**52,128**	38,195
Pension costs:				
- defined benefit plans (note 26(d)(vi))	**33,881**	55,130	**13,203**	13,504
- other post retirement benefits (note 26(e)(iv))	**28,175**	55,621	**3,386**	3,059
	2,699,652	2,350,715	**68,717**	54,758

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

35. INCOME TAX

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
(a) CHARGE	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year at 17% (including CSR) (2021: 17%)	**198,722**	130,615	**-**	1,479
(Over)/under provision	**(6,856)**	5,959	**-**	-
	191,866	136,574	**-**	1,479
Deferred tax (credit)/charge	**(63,394)**	63,760	**2,523**	-
Income tax charge	**128,472**	200,334	**2,523**	1,479

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.

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

Income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

(b) LIABILITY	THE GROUP	
	2022	2021
	Rs'000	Rs'000
At July 1,	**87,663**	82,226
Corporate Social Responsibility	**10,963**	9,804
(Over)/under provision	**(6,856)**	1,348
Charge for the year	**185,549**	128,229
Paid during the year	**(151,994)**	(134,040)
Translation difference	**3,719**	96
At June 30,	**129,044**	87,663

(c) The tax on the group's and 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	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit/(loss) before taxation from continuing operations	**1,729,686**	(868,876)	**383,620**	(184,479)
Profit/(loss) before taxation from discontinued operations	**24,600**	4,000	**-**	-
Tax calculated at a rate of 17% (2021: 17%)	**298,229**	(147,029)	**65,215**	(31,361)
Tax effect of :-				
Income not subject to tax (i)	**(587,864)**	(241,738)	**(162,799)**	(65,095)
Effect of different tax rates	**20,198**	10,478	**-**	-
Expenses not deductible for tax purposes (ii)	**332,849**	192,670	**44,614**	50,013
Recognised tax losses	**-**	75	**-**	-
Utilisation of previously unrecognised tax losses	**112,940**	192,274	**-**	-
Deferred tax impact	**(68,368)**	(3,352)	**-**	-
Tax losses for which no deferred tax asset was recognised	**(3,821)**	(4,012)	**55,493**	47,922
Under provision of income tax in previous years	**(6,311)**	1,584	**-**	-
Effect of consolidation adjustments	**77,690**	125,783	**-**	-
Effect of tax on associated companies	**(58,842)**	54,855	**-**	-
Other movements (iii)	**11,772**	18,746	**-**	-
Income tax charge	**128,472**	200,334	**2,523**	1,479

(i) Income not subject to tax includes annual allowances, dividend income from resident companies, exempt interest income, profit on sale of land and buildings, reversals of impairment losses, fair value gain on investment properties.

(ii) Expenses not deductible for tax purposes include depreciation, expenditure on entertainment, gifts & donations, legal and professional fees, fair value loss on financial assets at fair value through profit or loss and other expenses relating to exempt income.

(iii) Other movements consist of non qualifying assets on bearer biological assets and corporate social responsibility (CSR).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

36. FAIR VALUE, REVALUATION AND OTHER RESERVES

(a) THE GROUP

(i) **June 30, 2022**

	Holding company and subsidiaries		Associated companies	
	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2021	**14,511,858**	**(27,361)**	**808,516**	**15,293,013**
Effect of change in ownership not resulting in:				
-loss of control	**6,595**	**-**	**-**	**6,595**
Transfers	**(19,687)**	**-**	**-**	**(19,687)**
Other comprehensive income for the year:				
Gain on revaluation of property, plant and equipment	**738,624**	**-**	**-**	**738,624**
Change in fair value of equity instruments at fair value through other comprehensive income	**-**	**104,933**	**-**	**104,933**
Currency translation differences	**-**	**8,422**	**-**	**8,422**
Share of other comprehensive income of associated companies and jointly controlled entities	**-**	**-**	**640,036**	**640,036**
At June 30, 2022	**15,237,390**	**85,994**	**1,448,552**	**16,771,936**

(ii) June 30, 2021

	Holding company and subsidiaries		Associated companies	
	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2020	14,312,129	(25,497)	218,467	14,505,099
Effect of change in ownership not resulting in:				
-loss of control	(179)	-	-	(179)
-acquisition and disposals	-	(1,135)	(11,886)	(13,021)
Transfers	(11,245)	4,400	-	(6,845)
Other comprehensive income for the year:				
Gain on revaluation of property, plant and equipment	211,153	-	-	211,153
Change in fair value of equity instruments at fair value through other comprehensive income	-	(19,584)	-	(19,584)
Currency translation differences	-	14,455	-	14,455
Share of other comprehensive income of associated companies and jointly controlled entities	-	-	601,935	601,935
At June 30, 2021	14,511,858	(27,361)	808,516	15,293,013

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

36. FAIR VALUE, REVALUATION AND OTHER RESERVES (CONT'D)

(b) THE COMPANY

	2022	2021
Revaluation and fair value reserves	**Rs'000**	Rs'000
At July 1,	**5,043,702**	4,125,230
Transfer from/(to) retained earnings on capital reduction	**6,759**	(52,800)
Change in fair value of equity instruments at fair value through other comprehensive income	**5,070,100**	971,272
At June 30,	**10,120,561**	5,043,702

Revaluation and fair value reserves

Fair value and revaluation reserves consist of the cumulative gains/losses arising from revaluation of the group's property, plant and equipment, the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and the foreign currency differences arising from the translation of the financial statements of foreign operations.

37. DIVIDENDS PAYABLE

(a) **Accounting policy**

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

(b)

	2022	2021
	Rs'000	Rs'000
At July 1,	**187,498**	-
Declared during the year	**299,997**	187,498
Paid during the year	**(318,747)**	-
At June 30,	**168,748**	187,498

(c)

Amounts recognised as distributions to equity holders during the year:		
Ordinary shares		
- Interim dividend for the year ended June 30, 2022 of Rs.0.35 (2021: Rs.nil) per share	**131,249**	-
- Final dividend for the year ended June 30, 2022 of Rs.0.45 (2021: Rs.0.50) per share	**168,748**	187,498
	299,997	187,498
Dividend per share (Rs.)	**0.80**	0.50

38. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholder of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. At the reporting date, the group did not have shares with dilutive effects in issue (2021: nil).

		THE GROUP		THE COMPANY	
		2022	2021	**2022**	2021
(a) **From continuing operations**					
Net Profit/(loss) attributable to owners of the company	Rs'000	**829,477**	(734,742)	**381,097**	(185,958)
Basic number of ordinary shares in issue ('000)		**374,996**	374,996	**374,996**	374,996
Earnings/(loss) per share	Rs.	**2.21**	(1.96)	**1.02**	(0.50)
(b) **From discontinued operations**					
Net Profit/(loss) attributable to owners of the company	Rs'000	**11,886**	1,553	**-**	-
Basic number of ordinary shares in issue ('000)		**374,996**	374,996	**-**	-
Earnings per share	Rs.	**0.03**	0.004		

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

39. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and cash equivalents comprise of cash in hand, amounts repayable on demand from banks and financial institutions and short term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts for the purpose of Statements of Cash Flows. Interest received and paid on consumer finance business is part of the operating activities of the group. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statements of Financial Position.

		Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
(a)	**Cash generated from/(used in) operations**		**Rs'000**	Rs'000	**Rs'000**	Rs'000
	Profit/(loss) before taxation from continuing operations		**1,729,686**	(868,876)	**383,620**	(184,479)
	Profit/(loss) before taxation from discontinued operations		**24,600**	4,000	**-**	-
	Adjustments for:					
	Depreciation of property, plant and equipment		**850,148**	831,995	**12,312**	12,100
	Amortisation of intangible assets		**86,202**	76,798	**-**	-
	Amortisation of deferred expenditure		**-**	43,400	**-**	-
	Interest expense		**1,256,492**	1,193,601	**320,837**	326,403
	Interest income		**(220,872)**	(214,243)	**(57,260)**	(55,017)
	Fair value gain on investment properties and straightlining adjustment		**(683,241)**	(834,460)	**(298,152)**	(147,739)
	Fair value loss on financial assets at fair value through profit or loss		**(6,684)**	(9,880)	**(6,684)**	(9,880)
	Release of deferred expenditure to expenses		**15,959**	9,228	**-**	-
	Profit on disposal of land and investments		**(25,168)**	(20,057)	**(361,562)**	(10,892)
	Profit on disposal of property, plant and equipment, intangible assets and investment properties		**(26,041)**	(60,327)	**(2,925)**	(596)
	Impairment on financial assets and receivables*	13, 14, 17, 19	**(54,000)**	174,800	**228**	3,524
	Impairment of goodwill, market related intangibles and others		**-**	66,222	**-**	-
	Provision for retirement benefit obligations		**(32,533)**	32,886	**(18,366)**	(16,430)
	Payment compensation loss of office		**(4,232)**	-	**-**	-
	Provision for vacation leave		**-**	19,798	**(230)**	2,648
	Share of results of associated companies and jointly controlled entities, net of dividends		**(390,982)**	931,186	**1,186**	735
	Land conversion rights		**-**	(53,951)	**-**	(53,951)
	(Profit)/loss on capital reduction		**-**	-	**(6,759)**	52,800
	Grant released		**(657)**	(799)	**-**	-
	Release of amortised cost		**(7,695)**	-	**-**	-
	Fair value adjustment on bearer assets		**102**	626	**-**	-
	Goodwill and other write off		**200**	(13,404)	**-**	-
	Debtors written off		**3,707**	5,597	**(1,194)**	-
	Effect of modification of lease term		**9,900**	16,200	**-**	-
	Deferred rent assets		**-**	-	**(1,983)**	(886)
	Translation difference		**(152,809)**	149,087	**22**	(34)
	Termination of lease		**1,400**	(18,000)	**-**	-
			2,373,482	1,461,427	**(36,910)**	(81,694)
	Changes in working capital:					
	- inventories		**672,059**	276,350	**-**	-
	- consumable biological assets		**8,039**	(83,757)	**-**	-
	- trade and other receivables		**(525,680)**	(276,936)	**(360)**	5,816
	- receivable from group companies		**-**	-	**33,526**	(129,650)
	- loans and advances		**62,400**	(102,300)	**-**	-
	- trade and other payables		**998,395**	208,941	**14,281**	7,626
	- payables to group companies		**-**	-	**(481)**	(1,231)
	Cash generated from/(used in) operations		**3,588,695**	1,483,725	**10,056**	(199,133)

* The comparative figure was reclassified within the cash generated from operations for better understanding.

NOTES TO THE
FINANCIAL STATEMENTS

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

(b) Major non-cash transactions

The principal non-cash transactions include the acquisition of property, plant and equipment under finance leases and financial assets at fair value through other comprehensive income received as consideration for sale of investments. These non-cash transactions are not significant.

(c) Cash and cash equivalents

	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts (note 22(b))	**(1,218,252)**	(1,543,179)	**-**	-
Cash at bank and in hand	**5,245,016**	4,655,282	**452,566**	681,868
Cash and cash equivalents	**4,026,764**	3,112,103	**452,566**	681,868

At June 30, 2022, cash and cash equivalents have been considered for impairment and impairment loss was negligible and hence not accounted for. The maximum exposure to credit risk at the reporting date for the cash at bank is its fair value.

(d) Reconciliation of liabilities arising from financing activities

THE GROUP	Secured fixed and variable rate notes	Debentures	Convertible bonds	Bank and other loans	Bond notes	Lease liabilities	Shareholders' loans	Redeemable notes	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2021	5,055,531	836,505	127,200	17,393,503	3,561,155	1,140,670	-	-	28,114,564
Proceeds from borrowings	788,099	150,000		5,067,660	-	-	6,600	4,741,000	10,753,359
New lease	-	-	-	-	-	232,710	-	-	232,710
Payments on borrowings	(24,100)	(31,600)	(10,700)	(8,797,687)	-	-	-	-	(8,864,087)
Principal payments on lease liabilities	-	-	-	-	-	(262,953)	-	-	(262,953)
Interest accrued	-	-	-	-	3,631	41,281	-	-	44,912
Disposal of subsidiaries	-	-	-	-	-	(15,000)	-	-	(15,000)
Foreign exchange movements	-	-	-	(272,959)	-	(11,000)	-	-	(283,959)
At June 30, 2022	**5,819,530**	**954,905**	**116,500**	**13,390,517**	**3,564,786**	**1,125,708**	**6,600**	**4,741,000**	**29,719,546**

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

(d) Reconciliation of liabilities arising from financing activities (cont'd)

THE GROUP (CONT'D)	Secured fixed and variable rate notes	Debentures	Convertible bonds	Bank loans	Bond notes	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2020	4,054,836	734,015	-	16,804,781	3,562,214	1,424,849	26,580,695
Proceeds from borrowings	1,000,000	123,590	127,200	4,728,751	-	-	5,979,541
Payments on borrowings	-	(21,100)	-	(4,346,547)	-	-	(4,367,647)
Principal payments on lease liabilities	-	-	-	-	-	(214,775)	(214,775)
Interest accrued	695	-	-	-	(1,059)	18,837	18,473
Disposal of subsidiaries	-	-	-	-	-	(80,400)	(80,400)
Foreign exchange movements	-	-	-	206,518	-	(7,841)	198,677
At June 30, 2021	5,055,531	836,505	127,200	17,393,503	3,561,155	1,140,670	28,114,564

THE COMPANY	Bank loans	Bond notes	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2021	3,693,989	3,561,155	22,391	7,277,535
Proceeds from borrowings	499,750	-	-	499,750
Payments on borrowings	(806,064)	-	-	(806,064)
Principal payments on lease liabilities	-	-	(7,539)	(7,539)
Interest accrued	994	3,631	(7)	4,618
Remeasurement	-	-	472	472
At June 30, 2022	**3,388,669**	**3,564,786**	**15,317**	**6,968,772**

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

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

(d) Reconciliation of liabilities arising from financing activities (cont'd)

THE COMPANY	Bank loans	Bond notes	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2020	3,765,217	3,562,214	30,287	7,357,718
Proceeds from borrowings	92,109	-	-	92,109
Payments on borrowings	(163,428)	-	-	(163,428)
Principal payments on lease liabilities	-	-	(7,928)	(7,928)
Interest accrued	91	(1,059)	32	(936)
At June 30, 2021	3,693,989	3,561,155	22,391	7,277,535

40. COMMITMENTS

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
Capital commitments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Authorised by the board but not contracted for	**416,600**	1,340,400	**-**	-
Contracted for but not yet incurred	**2,777,206**	1,142,125	**80,337**	-

Capital commitments consist principally of property, plant and equipment.

Future minimum lease receivable under non-cancellable operating leases may be analysed as follows:	THE GROUP	
	2022	2021
	Rs'000	Rs'000
Within one year	**7,400**	8,200
After one year and before five years	**10,100**	17,900
Future minimum lease receivable under non-cancellable operating leases	**17,500**	26,100

41. SEGMENT INFORMATION

(a) Accounting policy

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business unit requires different technology and marketing strategies. Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included if management believes that information about these would be useful to users to better appraise financial information. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The group evaluates the performance on the basis of profit or loss from operations before tax expense. The group's customer base is highly diversified, with no individually significant customers. Other entity wide disclosures such as revenue from external customers per service/product type and extent of reliance on major customers have not disclosed due to excessive cost involved.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

41. SEGMENT INFORMATION (CONT'D)

THE GROUP	Agro-industry	Commerce and industry	Real estate	Land and investments	Hospitality	Logistics	FinTech	Corporate office	Total
2022	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Total segment revenues	**1,081,745**	**5,171,477**	**5,039,023**	**439,969**	**2,958,170**	**3,733,328**	**1,259,952**	**154,548**	**19,838,212**
Inter-segment revenues	**(113,873)**	**(267,542)**	**(1,016,747)**	**(366,212)**	**(38,990)**	**(6,645)**	**(62,735)**	**(149,379)**	**(2,022,123)**
Revenue from external customers	**967,872**	**4,903,935**	**4,022,276**	**73,757**	**2,919,180**	**3,726,683**	**1,197,217**	**5,169**	**17,816,089**
(Loss)/profit before impairment loss and finance costs	**(40,207)**	**317,987**	**1,474,301**	**(178,172)**	**379,449**	**334,362**	**23,327**	**(35,577)**	**2,275,470**
Reversal/(increase) of loss allowance on financial assets	**-**	**-**	**5,000**	**-**	**7,000**	**(6,000)**	**48,000**	**-**	**54,000**
Share of profits less losses of associated companies and jointly controlled entities, net of tax	**126,244**	**38,474**	**95,906**	**-**	**6,012**	**16,094**	**271,705**	**-**	**554,435**
Finance costs including interest expense on consumer finance business	**(8,795)**	**(73,904)**	**(579,181)**	**(271,144)**	**(130,838)**	**(53,390)**	**(36,920)**	**(47)**	**(1,154,219)**
Profit/(loss) before taxation	**77,242**	**282,557**	**996,026**	**(449,316)**	**261,623**	**291,066**	**306,112**	**(35,624)**	**1,729,686**
Income tax expense	**2,223**	**(42,491)**	**(100,083)**	**3,657**	**107,000**	**(70,000)**	**(26,000)**	**(2,778)**	**(128,472)**
Profit/(loss) for the year	**79,465**	**240,066**	**895,943**	**(445,659)**	**368,623**	**221,066**	**280,112**	**(38,402)**	**1,601,214**
Assets	**4,649,838**	**4,425,972**	**34,349,895**	**18,876,351**	**11,146,028**	**3,896,368**	**5,471,229**	**28,213**	**82,843,894**
Liabilities	**892,069**	**3,037,821**	**16,437,839**	**7,638,912**	**5,677,270**	**2,308,226**	**3,037,414**	**209,712**	**39,239,263**
Capital expenditure	**130,732**	**402,528**	**1,254,739**	**2,104,449**	**290**	**203**	**-**	**2,931**	**3,895,872**
Depreciation and amortisation	**60,700**	**130,658**	**36,813**	**706,143**	**38**	**103**	**-**	**1,895**	**936,350**
Material items of income and expenditure:									
Fair value gain on revaluation of investment properties	**-**	**12,885**	**643,802**	**395**	**-**	**-**	**-**	**-**	**657,082**
Primary Geographic markets									
Asia	**-**	**-**	**35,000**	**-**	**11,000**	**523,000**	**-**	**-**	**569,000**
Europe	**-**	**447**	**85,000**	**-**	**300,000**	**479,000**	**35,000**	**-**	**899,447**
Africa and others	**967,872**	**4,903,488**	**3,902,276**	**73,757**	**2,608,180**	**2,724,683**	**1,162,217**	**5,169**	**16,347,642**
Revenue from primary geographic markets	**967,872**	**4,903,935**	**4,022,276**	**73,757**	**2,919,180**	**3,726,683**	**1,197,217**	**5,169**	**17,816,089**
Contract counterparties									
Individual	**23,030**	**594,008**	**1,435,900**	**-**	**1,717,000**	**-**	**-**	**-**	**3,769,938**
Corporate	**944,842**	**4,309,927**	**2,586,376**	**73,757**	**1,202,180**	**3,726,683**	**1,197,217**	**5,169**	**14,046,151**
Revenue by contract counter parties	**967,872**	**4,903,935**	**4,022,276**	**73,757**	**2,919,180**	**3,726,683**	**1,197,217**	**5,169**	**17,816,089**
Timing of revenue recognition									
At a point in time	**831,484**	**4,800,035**	**2,911,333**	**73,757**	**2,260,580**	**3,726,683**	**1,197,217**	**(43,431)**	**15,757,658**
Over time	**136,388**	**103,900**	**1,110,943**	**-**	**658,600**	**-**	**-**	**48,600**	**2,058,431**
Revenue by timing of revenue recognition	**967,872**	**4,903,935**	**4,022,276**	**73,757**	**2,919,180**	**3,726,683**	**1,197,217**	**5,169**	**17,816,089**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

41. SEGMENT INFORMATION (CONT'D)

THE GROUP (CONT'D)	Agro-industry	Commerce and industry	Real estate	Land and investments	Hospitality	Logistics	FinTech	Corporate office	Total
2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total segment revenues	881,349	4,224,011	3,901,793	214,323	966,033	3,148,916	1,048,855	143,629	14,528,909
Inter-segment revenues	(105,829)	(194,970)	(871,772)	(190,955)	(106,841)	(21,352)	(56,390)	(138,897)	(1,687,006)
Revenue from external customers	775,520	4,029,041	3,030,021	23,368	859,192	3,127,564	992,465	4,732	12,841,903
(Loss)/profit before impairment loss and finance costs	(51,735)	195,765	2,095,486	(180,957)	(1,179,259)	272,937	159,995	(20,878)	1,291,354
Reversal/(increase) of loss allowance on financial assets	-	-	(134,810)	-	(9,000)	(9,000)	(22,000)	-	(174,810)
Share of profits less losses of associated companies and jointly controlled entities, net of tax	30,937	25,446	45,242	101,116	(1,241,296)	-	233,000	-	(805,555)
Finance costs including interest expense on consumer finance business	(9,870)	(59,777)	(557,854)	(270,753)	(114,122)	(51,530)	(115,840)	(119)	(1,179,865)
(Loss)/profit before taxation	(30,668)	161,434	1,448,064	(350,594)	(2,543,677)	212,407	255,155	(20,997)	(868,876)
Income tax expense	(4,316)	(16,641)	(146,595)	-	24,000	(53,500)	(1,000)	(2,282)	(200,334)
(Loss)/profit for the year	(34,984)	144,793	1,301,469	(350,594)	(2,519,677)	158,907	254,155	(23,279)	(1,069,210)
Assets	4,387,347	3,603,693	31,765,025	18,733,324	10,153,383	3,427,099	5,942,419	27,633	78,039,923
Liabilities	799,267	2,134,958	15,407,763	7,691,302	5,325,070	2,069,406	3,352,148	204,168	36,984,082
Capital expenditure	61,452	158,669	1,192,472	95,984	301,000	98,000	64,000	2,611	1,974,188
Depreciation and amortisation	62,697	104,538	166,540	16	303,000	155,741	98,000	18,261	908,793
Material items of income and expenditure:									
Fair value gain on revaluation of investment properties	-	-	805,208	1,850	-	-	-	-	807,058
Primary Geographic markets									
Asia	-	-	-	-	4,000	358,000	2,000	-	364,000
Europe	-	29,206	325,000	-	4,000	940,000	35,000	-	1,333,206
Africa and others	775,520	3,999,835	2,708,447	19,942	851,192	2,534,164	955,465	4,732	11,144,697
Revenue from primary geographic markets	775,520	4,029,041	3,030,021	23,368	859,192	3,127,564	992,465	4,732	12,841,903
Contract counterparties									
Individual	19,743	208,924	968,098	-	615,000	361,000	73,000	-	2,245,765
Corporate	755,777	3,820,117	2,065,349	19,942	244,192	3,471,164	919,465	4,732	10,596,138
Revenue by contract counter parties	775,520	4,029,041	3,030,021	23,368	859,192	3,127,564	992,465	4,732	12,841,903
Timing of revenue recognition									
At a point in time	774,489	4,025,408	2,099,948	19,942	750,292	2,941,164	252,165	151,032	10,309,840
Over time	1,031	3,633	933,499	-	108,900	891,000	740,300	(146,300)	2,532,063
Revenue by timing of revenue recognition	775,520	4,029,041	3,030,021	23,368	859,192	3,127,564	992,465	4,732	12,841,903

Operating segments are components of the group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation. Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included if management believes that information about these would be useful to users to better appraise financial information.

(b) Product description of above segments:
(i) Agro-Industry - sugar cultivation, poultry and others.
(ii) Commerce and industry - sale of motor vehicles, swimming pools and others.
(iii) Real estate - rental of offices, malls and sale of residential and commercial property.
(iv) Land and investments - investment holding.
(v) Hospitality - hotel operations and leisure activities.
(vi) Logistics - freight forwarding and transport services.
(vii) FinTech - credit, leasing & hire purchase businesses, global business and IT services.
(viii) Corporate Office - group service provider.

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42. RELATED PARTY DISCLOSURES

(a) THE GROUP

	Associated companies		Jointly controlled entities		Other related parties	
	2022	2021	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Purchases of goods and services	**69,142**	25,274	**-**	-	**55,800**	13,800
Sale of goods and services	**97,431**	19,923	**600**	2,000	**8,300**	13,200
Management fee income	**2,936**	2,930	**-**	-	**-**	-
Interest expense	**288**	782	**-**	-	**-**	-
Loans payable	**346,300**	12,000	**-**	-	**-**	-
Amounts receivable	**43,440**	4,642	**-**	1,300	**1,328**	393
Amounts payable	**13,113**	6,431	**36,000**	-	**3**	14

(b) THE COMPANY

	Subsidiary companies		Associated companies		Other related parties	
	2022	2021	**2022**	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Rental income	**45,895**	43,223	**-**	-	**-**	-
Management fee income	**43,104**	39,959	**1,850**	3,550	**-**	425
Management fee expense	**92,118**	91,324	**-**	-	**-**	-
Interest expense	**598**	784	**-**	-	**-**	13,943
Interest income	**57,207**	54,960	**-**	-	**-**	-
Amounts receivable	**1,296,187**	1,280,795	**-**	-	**341**	646
Loans receivable	**806,000**	1,221,000	**-**	-	**-**	-
Amounts payable	**34,942**	32,835	**-**	-	**-**	-

(c) Outstanding amounts payable to group companies and amounts receivables from group companies at year end are unsecured and interest free, and settlement occurs in cash except for the following:

(i) Loans receivable from subsidiary company carry an interest rate of 3.10%; and

(ii) Loans payable to associated companies carry interest rate of 4.2%.

Except as disclosed in note 44, there has been no guarantee received or provided for any amounts receivable from group companies and amounts payable to group companies. For the year ended June 30, 2022, amounts receivable from group companies were impaired by Rs.13.5m (2021: Rs.13.2m). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The company's retirement benefit obligations are administered by an associate of the company.

(d) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2022	2021	**2022**	2021
	Rs'000	Rs'000	**Rs'000**	Rs'000
Directors' fees	**7,510**	7,461	**4,150**	4,150
Salaries and short term employment benefits	**64,821**	52,505	**21,169**	13,126
Post- employment benefits	**1,678**	3,077	**-**	-
	74,009	63,043	**25,319**	17,276

NOTES TO THE **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2022

43. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

(a) **Subsidiary companies incorporated during the year**

(i) **Year ended June 30, 2022**

During the year, the group incorporated the following subsidiaries:

	Group effective % holding	Main business
Land and investments:		
ENL Rê Limited	100.00	Investment holding
Hospitality:		
La Place du Village Limited	100.00	Training institution
Real estate:		
Savannah Land Development Ltd	100.00	Land and property developer
Savannah Smart City Limited	100.00	Rental of offices
Telfair Apartments Limited	67.00	Property
Commerce and industry:		
Suntricity Company Limited	75.00	Rental of equipment and machinery

The above subsidiary companies have been incorporated as per the Companies Act 2001.

(ii) On December 8, 2021, ENL acquired 50.1% of the shares in EES (dormant at the date of acquisition) and the business assets of Sotratech Limitee (SL or the acquiree) which includes all the assets required for the operation of the business of SL, employee benefits liabilities but excluding all other liabilities of SL. Employees were also transferred as part of this transaction. EES and SL were all owned by the same shareholder at the date of acquisition. As a result, ENL was identified as the acquirer.

The above transaction has been concluded to be a single transaction altogether and falls under the requirements of IFRS 3 - Business Combinations and resulting in a goodwill calculated as follows:

The fair value of assets acquired and liabilities assumed were as follows:	THE GROUP
	Rs'000
Assets	
Intangible assets	**32,396**
Liabilities	
Employee benefit liabilities	**(16,473)**
Cash consideration	**41,000**
Net assets at acquisition date	**(15,923)**
Non-controlling interest	**7,946**
Goodwill	**33,023**

Goodwill amounting to Rs.33m has been recognised under note 8 - 'intangible assets'.

The above acquisition will contribute to synergies and strategy of the group.

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FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

43. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES (CONT'D)

(b) Year ended June 30, 2021

During the year, the group incorporated the following subsidiaries:

	Group effective % holding	Main business
FinTech:		
Tagada Ltd	85.91	IT services
Hospitality:		
The Enabling Academy	100.00	Training institution
Agro-industry:		
ESP Cleaning Ltd	100.00	Cleaning services
Property:		
Moka Smart City Management Ltd	60.80	Land and property developer
Oficea Workspitality Ltd	100.00	Rental of offices
Commerce and industry:		
Ensport Ltd	100.00	Sale of sport related goods

The above subsidiary companies have been incorporated as per the Companies Act 2001.

(c) **Disposal of subsidiary companies**

Year ended June 30, 2021

(i) During the year, the group disposed its shareholding in Box Manufacturing Company Limited. Assets and liabilities disposed are as follows:

Analysis of asset and liabilities over which control was lost	2021 Rs'000
Non-current assets	
Property, plant and equipment	26,650
Deferred tax assets	736
Current assets	
Inventories	6,301
Current liabilities	
Borrowings	(3,679)

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43. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES (CONT'D)

(c) **Disposal of subsidiary companies (cont'd)**

Year ended June 30, 2021

Analysis of asset and liabilities over which control was lost	2021 Rs'000
Trade and other payables	(4,020)
Non-current liabilities	
Borrowings	(28,583)
Employee benefits liabilities	(3,738)
Net assets disposed of	(6,333)

	2021 Rs'000
Net cash flow on disposal of subsidiary	
Consideration received	2,750
Net assets disposed of	(6,333)
Loss on disposal	(3,583)

The loss on disposal is included in (loss)/profit for the year.

(ii) On March 31, 2021, the group disposed of its shareholding in Estate Property Solutions Ltd and Le Marché du Moulin Ltd. Assets and liabilities disposed of are as follows:

	THE GROUP 2021 Rs'000
Property, plant and equipment	74,000
Inventories	2,700
Trade and other receivables	24,100
Cash and cash equivalents	(5,800)
Borrowings	(104,400)
Trade and other payables	(5,000)
	(14,400)
Goodwill initially recognised	-
	(14,400)
Profit on disposal	8,600
	(5,800)
Cash and cash equivalents disposed	5,800
Cash flow on disposal net of cash and cash equivalents	-

The group realised a profit of Rs 8.6m on the disposal of Estate Property Solutions Ltd and Le Marché du Moulin Ltd and this profit is arrived at as follows:

Consideration received	23,000
Net assets disposed	(14,400)
	8,600

44. CONTINGENT LIABILITIES

Contingent liabilities as at June 30, 2022 are as follows:

- A subsidiary has acted as surety in respect of a guarantee of Rs.275m (2021: Rs.350m) given by one of its subsidiaries to the Mauritius Revenue Authority.

- Some of the group's subsidiaries have pending legal matters amounting to Rs.25.0m (2021:Rs.45.8m), the outcome of which is uncertain.

- A subsidiary of the group has provided a shortfall undertaking, equivalent to six month's interest payment of approximately Rs.28m (2021:Rs.17.6m) to bond holder representatives on behalf of another subsidiary company.

- Some of the group' subsidiaries had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounting to Rs.2,124.31m (2021:Rs.3,417m) from which it is anticipated that no material liabilities would arise.

It is not anticipated that any material liabilities would arise out of the above as the possibility of the outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

45. CATEGORIES OF FINANCIAL INSTRUMENTS

Accounting policy

Financial assets and financial liabilities are recognised in the group's Statements of financial position when the group has become a party to the contractual provisions of the instrument.

The group's accounting policies in respect of the financial instruments are described in the respective notes to the financial statements.

(a) Financial assets by category

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other financial assets at amortised costs	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
Per Statements of financial position				
At June 30, 2022				
Financial assets at fair value through other comprehensive income	**578,211**	**-**	**-**	**578,211**
Financial assets at fair value through profit or loss	**-**	**61,770**	**-**	**61,770**
Other financial assets at amortised costs	**-**	**-**	**1,540,051**	**1,540,051**
Loans and advances	**-**	**-**	**2,204,300**	**2,204,300**
Trade receivables	**-**	**-**	**2,294,353**	**2,294,353**
Cash and cash equivalents	**-**	**-**	**5,245,016**	**5,245,016**
Total financial assets	**578,211**	**61,770**	**11,283,720**	**11,923,701**
At June 30, 2021				
Financial assets at fair value through other comprehensive income	484,145	-	-	484,145
Financial assets at fair value through profit or loss	-	54,640	-	54,640
Other financial assets at amortised costs	-	-	1,364,233	1,364,233
Loans and advances	-	-	2,272,500	2,272,500
Trade receivables	-	-	2,092,610	2,092,610
Cash and cash equivalents	-	-	4,655,282	4,655,282
Total financial assets	484,145	54,640	10,384,625	10,923,410
THE COMPANY				
Per statements of financial position				
At June 30, 2022				
Financial assets at fair value through other comprehensive income	**106,475**	**-**	**-**	**106,475**
Financial assets at fair value through profit or loss	**-**	**61,770**	**-**	**61,770**
Other financial assets at amortised costs	**-**	**-**	**1,908,187**	**1,908,187**
Trade receivables	**-**	**-**	**3,899**	**3,899**
Amount receivable from group companies	**-**	**-**	**264,249**	**264,249**
Cash and cash equivalents	**-**	**-**	**452,566**	**452,566**
	106,475	**61,770**	**2,628,901**	**2,797,146**

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45. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets by category (cont'd)

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other financial assets at amortised costs	Total
THE COMPANY				
Per statements of financial position	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2021				
Financial assets at fair value through other comprehensive income	92,515	-	-	92,515
Financial assets at fair value through profit or loss	-	54,640	-	54,640
Other financial assets at amortised costs	-	-	1,870,047	1,870,047
Trade receivables	-	-	6,972	6,972
Amount receivable from group companies	-	-	663,748	663,748
Cash and cash equivalents	-	-	681,868	681,868
	92,515	54,640	3,222,635	3,369,790

(b) Financial liabilities by category

	Financial liabilities at amortised costs	Total
THE GROUP	Rs'000	Rs'000
Per statements of financial position		
At June 30, 2022		
Borrowings	**30,937,798**	**30,937,798**
Trade and other payables	**4,903,969**	**4,903,969**
	35,841,767	**35,841,767**
At June 30, 2021		
Borrowings	29,657,743	29,657,743
Trade and other payables	4,174,286	4,174,286
	33,832,029	33,832,029
THE COMPANY		
Per statements of financial position		
At June 30, 2022		
Borrowings	**6,968,772**	**6,968,772**
Trade and other payables	**90,915**	**90,915**
Amounts payable to group companies	**34,942**	**34,942**
	7,094,629	**7,094,629**
At June 30, 2021		
Borrowings	7,277,535	7,277,535
Trade and other payables	45,642	45,642
Amounts payable to group companies	32,835	32,835
	7,356,012	7,356,012

The fair value of financial instruments at amortised cost are not materially different from their carrying amount.

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46. FINANCIAL SUMMARY

(a) THE GROUP

		2022 Rs'000	2021 Rs'000
Statements of profit or loss and other comprehensive income			
Continuing operations			
Revenue		**17,816,089**	13,546,503
Profit/(loss) before taxation		**1,729,686**	(864,876)
Income tax expense		**(128,472)**	(200,334)
Profit/(loss) for the year		**1,601,214**	(1,065,210)
Post tax profit from discontinued operations		**24,600**	-
Other comprehensive income for the year		**1,938,874**	1,469,879
Total comprehensive income for the year		**3,564,688**	404,669
Profit/(loss) attributable to:			
Owners of the company		**829,477**	(733,189)
Non-controlling shareholders		**784,451**	(332,021)
		1,613,928	(1,065,210)
Total comprehensive income attributable to:			
Owners of the company		**2,398,959**	391,296
Non-controlling shareholders		**1,165,729**	13,373
		3,564,688	404,669
Dividend per share			
-Interim	Rs.	**0.35**	-
- Final	Rs.	**0.45**	0.50
Earnings/(loss) per share	Rs.	**2.21**	(1.96)

	2022 Rs'000	2021 Rs'000
Statements of financial position		
ASSETS		
Non-current assets	**69,014,735**	65,618,240
Current assets	**13,829,159**	12,402,583
Non-current assets classified as held for sale	**-**	19,100
Total assets	**82,843,894**	78,039,923
EQUITY AND LIABILITIES		
Capital and reserves	**28,613,754**	26,522,386
Non-controlling interests	**14,990,877**	14,533,455
Total equity	**43,604,631**	41,055,841
LIABILITIES		
Non-current liabilities	**26,619,694**	26,792,798
Current liabilities	**12,619,569**	10,190,884
Liabilities directly associated with non-current assets classified as held for sale	**-**	400
Total equity and liabilities	**82,843,894**	78,039,923

NOTES TO THE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

46. FINANCIAL SUMMARY (CONT'D)

(b) THE COMPANY

		2022 Rs'000	2021 Rs'000
Statements of profit or loss and other comprehensive income			
Revenue		**349,919**	260,895
Profit/(loss) before taxation		**383,620**	(184,479)
Income tax expense		**(2,523)**	(1,479)
Profit/(loss) for the year		**381,097**	(185,958)
Other comprehensive income for the year		**5,048,796**	966,234
Total comprehensive income for the year		**5,429,893**	780,276
Dividend per share			
-Interim	Rs.	**0.35**	-
- Final	Rs.	**0.45**	0.50
Earnings/(loss) per share	Rs.	**1.02**	(0.50)

	2022 Rs'000	2021 Rs'000
Statements of financial position		
ASSETS		
Non-current assets	**36,530,180**	31,086,815
Current assets	**852,853**	1,439,383
Total assets	**37,383,033**	32,526,198
EQUITY AND LIABILITIES		
Capital and reserves	**29,761,320**	24,631,424
LIABILITIES		
Non-current liabilities	**6,636,898**	7,037,141
Current liabilities	**984,815**	857,633
Total equity and liabilities	**37,383,033**	32,526,198

47. EVENTS AFTER THE REPORTING PERIOD

Real estate

Amalgamation

On July 1, 2022, Ascencia Limited, a subsidiary company, has amalgamated with its wholly owned subsidiary companies, namely Bagaprop Ltd, Floreal Commercial Centre Limited and The Beau Vallon Shopping Mall Ltd with the surviving company being Ascencia Limited.

Investment in Cyprus

On August 10, 2022 the Board of one of the subsidiary companies has approved of the company's decision to invest in a development project in Cyprus. The company will be investing Rs.24.8m in the next financial year and a further Rs.432m by June 30, 2024.

Hospitality

During the year ended June 30, 2022, Veranda Tamarin Ltd, a subsidiary company, entered into a bond agreement with the Mauritius Investment Corporation Ltd (''MIC'') , a company set up by the Bank of Mauritius, to provide financial support to companies impacted by COVID-19. The agreement stipulates that the subsidiary will issue convertible bonds in favour of MIC amounting to Rs.100m. The company has the option but not the obligation to repay the issued bonds within 9 years from the date the bonds are issued. On August 2, 2022, a first issue of 5 convertible secured bonds with a nominal value of Rs.10m per bond were issued, raising a total of Rs.50m and bearing interest rate at 3.5% per annum.

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

48. ULTIMATE HOLDING COMPANY

The holding company of ENL Limited is La Sablonnière Holding Limited, incorporated in Mauritius and its registered office is at ENL House, Vivéa Business Park, Moka. The ultimate holding entity of ENL Limited is Société Caredas, a 'société civile' registered in Mauritius.

49. DISCONTINUED OPERATIONS

In May 2022, the group disposed 70% of its wholly owned subsidiary, Rogers International Distribution Services S.A.S ('RIDS France'), and its results are being presented as discontinued operations. RIDS France has a solid reputation in the textile sector and treats with the large buying houses. In order to maintain its competitive position in a market that depends on aggressive pricing, a strategic partnership has been made to derive economies of scale and lower operational costs.

(a) Income or expenses recognised in the statements of profit or loss are as detailed below :

THE GROUP		2022	2021
		Rs'000	Rs'000
Revenue from contracts with customers		**968,100**	647,900
Revenue		**968,100**	647,900
Cost of sales		**(851,700)**	(553,400)
Gross Profit		**116,400**	94,500
Administrative expenses		**(108,700)**	(90,400)
(Impairment)/reversal of impairment on subsidiaries and associated company		**(2,400)**	3,000
Profit from finance costs and other gains and losses		**5,300**	7,100
Finance costs		**(2,600)**	(3,100)
Profit before other gains and losses		**2,700**	4,000
Profit on disposal of group entities and other financial assets		**21,900**	-
Profit before taxation		**24,600**	4,000
Taxation		**-**	-
Profit for the year		**24,600**	4,000
Attributable to			
Owners of the parent		**19,931**	2,649
Non-controlling interests		**4,669**	1,351
Profit for the year		**24,600**	4,000
Basic and diluted earnings/(loss) per share (note 38)	Rs.	**0.08**	0.01

(b) Following the deconsolidation of RIDS France, the net assets and liabilities deconsolidated at June 30, 2022 are as detailed below :

	2022
ASSETS	**Rs'000**
Non current assets	
Property, plant and equipment (inclusive of rights of use assets)	**9,000**
Current assets	
Contract assets	**2,000**
Trade receivables	**131,200**
Financial assets at amortised costs	**20,000**
Bank balances and cash	**32,100**
Other assets	**12,300**
Non current liabilities	
Borrowings	**(6,300)**
Current liabilities	
Borrowings	**(300)**
Trade and other payables	**(183,700)**
Net assets disposed	**16,300**

NOTES TO THE
FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

49. DISCONTINUED OPERATIONS (CONT'D)

(c) Gain on disposal of RIDS France

	2022
	Rs'000
Consideration received for 70% of the shares of RIDS France	**19,500**
Fair value of remaining 30% - accounted as investment in associated company	**8,400**
	27,900
Net asset disposed	**(16,300)**
Release of translation reserves	**10,300**
Gain on disposal of subsidiary	**21,900**

The gain on disposal is included in the profit or loss for the year from discontinued operations in the statement of profit or loss.

(d) Net cash outflow on disposal of subsidiary

	2022
	Rs'000
Cash consideration received in cash and cash equivalent	**19,500**
Less cash and cash equivalents disposed of :	
Bank balances and cash	**(32,100)**
Bank overdraft	**100**
	(12,500)

(e) The net cash flows incurred by RIDS France are:

	2022	2021
	Rs'000	Rs'000
Operating activities	**8,100**	(49,500)
Investing activities	**(14,200)**	(1,700)
Financing activities	**(2,200)**	64,700
Net cash (outflow)/inflow	**(8,300)**	13,500

50. IMPACT OF COVID-19 AND OTHER EVENTS

(a) **Covid-19**

The country reopened its borders to foreigners in early October 2021. The hospitality sector which was considerably impacted by the previous lockdowns re-started to operate and benefited from a greater than anticipated occupancy level. The rollout of vaccines has helped to stem the severity of the disease and the group renewed with a profitable situation.

(b) **Ukraine/Russian conflict**

On February 24, 2022, Russian troops started invading Ukraine. The war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption. Although it may be too early to assess the war's broad implications, the group has not been impacted as it does not directly deal with Russia and Ukraine.

CORPORATE **INFORMATION**

Registered Office
ENL House
Vivéa Business Park
Moka
Telephone: (230) 404 9500
Fax: (230) 404 9565
Email: info@enl.mu

Investor Relations
ENL House
Vivéa Business Park
Moka
Telephone: (230) 404 9500
Fax: (230) 404 9565
Email: investors@enl.mu

Secretary
ENL Secretarial Services Limited
ENL House
Vivéa Business Park
Moka
Telephone: (230) 404 9500
Fax: (230) 404 9565

Share Registry
MCB Registry and Securities Ltd
Raymond Lamusse Building
Sir William Newton Street
Port Louis
Tel: (230) 202 5640
Email: mcbrs.enquiries@mcbcm.mu

Auditors
Ernst & Young

Bankers
AfrAsia Bank Limited
Absa Bank (Mauritius) Limited
Bank One Ltd
SBI (Mauritius) Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Limited

Legal Advisors
ENSafrica (Mauritius)
Benoit Chambers
De Speville-Desvaux

Notaries
Me Bernard d'Hotman de Villiers
Me Jean Pierre Montocchio

NOTICE OF **MEETING**

Notice is hereby given that an Annual Meeting of shareholders of ENL Limited will be held at The Pod, Vivéa Business Park, Moka, on **16 December 2022 at 9.00 a.m.**, to transact the following business:

1. To consider the Annual Report for the year ended 30 June 2022.
2. To receive the report of the auditors of the Company.
3. To consider and approve the audited financial statements of the Company for the year ended 30 June 2022.

   Ordinary Resolution I.

   "Resolved that the audited financial statements of the Company for the year ended 30 June 2022 be hereby approved."
4. To elect Mr Roger Espitalier Noël, who retires by rotation in accordance with Section 21.6 of the Company's constitution and, being re-eligible, offers himself for re-election.

   Ordinary Resolution II.

   "Resolved that Mr Roger Espitalier Noël be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution."
5. To elect Mr Mushtaq Oosman, who retires by rotation in accordance with Section 21.6 of the Company's constitution and, being re-eligible, offers himself for re-election.

   Ordinary Resolution III.

   "Resolved that Mr Mushtaq Oosman be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution."
6. To re-appoint Mr Gérard Espitalier Noël, who is over the age of 70 years, to continue to hold office as a Director of the Company until the next Annual Meeting of the Company under Section 138 (6) of The Companies Act 2001.

   Ordinary Resolution IV.

   "Resolved that Mr Gérard Espitalier Noël be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company."
7. To re-appoint Mr Jean Noël Humbert, who is over the age of 70 years, to continue to hold office as a Director of the Company until the next Annual Meeting of the Company under Section 138 (6) of The Companies Act 2001.

   Ordinary Resolution V.

   "Resolved that Mr Jean Noël Humbert be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company."
8. To re-appoint Mr Simon-Pierre Rey, who is over the age of 70 years, to continue to hold office as a Director of the Company until the next Annual Meeting of the Company under Section 138 (6) of The Companies Act 2001.

   Ordinary Resolution VI.

   "Resolved that Mr Simon-Pierre Rey be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company."
9. To take note of the automatic reappointment of Ernst & Young as auditors for the year ending 30 June 2023 under Section 200 of The Companies Act 2001 and to authorise the Board to fix their remuneration.

   Ordinary Resolution VII.

   "Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001."

Note: The profiles and categories of the directors proposed for re-election/re-appointment are set out on pages 76 to 79 of the Annual Report 2022.

By order of the Board

Preety Gopaul, ACG

For ENL Secretarial Services Limited

Company Secretary

Date: 30 September 2022

NOTES

- *A shareholder of the Company entitled to attend and vote at this meeting may:*
    - *Either appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a corporate shareholder and by way of a corporate resolution), whether a shareholder or not, to attend and vote on his/her behalf. Any such appointment must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius not less than twenty-four (24) hours before the meeting is due to take place.*
    - *Or cast its vote by post. The notice for casting a postal vote must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than forty-eight (48) hours before the time fixed for holding the meeting.*
- *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 17 November 2022.*
- *The Annual Meeting of shareholders is an important day in the calendar as it enables the Board to engage with its shareholders on a range of matters concerning the business of the meeting. In addition, it provides a valuable forum for shareholders to ask questions. If it becomes necessary or appropriate to make further changes to the arrangements for the holding of the Annual Meeting, we will ensure that shareholders are given as much notice as possible. Please watch our website for any update or contact our Share Registry on + 230 2025640.*
- *Shareholders are encouraged to exercise their right to vote at the Annual Meeting by casting a postal vote (as enclosed). The postal vote form can also be downloaded from the website of the Company.*

FOR INDIVIDUAL SHAREHOLDER

Proxy **Form***

I/We

(name of natural shareholder/s)

of

(address of natural shareholder/s)

being a shareholder/s of **ENL LIMITED** (the Company), hereby appoint

(name of proxy)

of

(address of proxy)

or failing him/her

(name of proxy)

of

(address of proxy)

as my/our proxy to vote for me/us at the Annual Meeting of the Company to be held at The Pod, Vivéa Business Park, Moka on **16 December 2022** commencing at **09.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote in the following manner:

Postal vote **Form***

I/We

(name of natural shareholder/s)

of

(address of natural shareholder/s)

being a shareholder/s of **ENL LIMITED** (the Company), entitled to attend the Annual Meeting of the Company to be held at The Pod, Vivéa Business Park, Moka on **16 December 2022** commencing at **09.00 a.m.** and at any adjournment thereof, cast my votes on the proposed resolutions in the following manner:

RESOLUTIONS

(Please indicate with an X in the spaces below how you wish your votes to be cast)

Ordinary Resolutions		For	Against	Abstain
I.	Resolved that the audited financial statements of the Company for the year ended 30 June 2022 be hereby approved.	☐	☐	☐
II.	Resolved that Mr Roger Espitalier Noël be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.	☐	☐	☐
III.	Resolved that Mr Mushtaq Oosman be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.	☐	☐	☐
IV.	Resolved that Mr Gérard Espitalier Noël be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.	☐	☐	☐
V.	Resolved that Mr Jean Noël Humbert be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.	☐	☐	☐
VI.	Resolved that Mr Simon-Pierre Rey be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.	☐	☐	☐
VII.	Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001.	☐	☐	☐

Signed this ______ day of ______ 2022

Sign here X ______ Sign here X ______

Name: ______ Name: ______

***PLEASE FILL IN EITHER THE PROXY FORM OR THE POSTAL VOTE FORM, BUT NOT BOTH**

NOTES

1. *A shareholder of the Company entitled to attend and vote at this meeting may **either** appoint a proxy, whether a shareholder or not, to attend and vote on his/her behalf **or** cast his vote by post.*
2. *Appointment of Proxy:*
   (a) *If the form is used as a **Proxy Form**, to be valid, it must be completed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than **24** hours before the time fixed for holding the meeting or adjourned meeting.*
   (b) *A shareholder may appoint a proxy of his/her own choice. Insert the name of the person appointed as proxy in the space provided.*
   (c) *If this **Proxy Form** is returned, duly signed, without any indication of proxy, the shareholder will be deemed to have authorised the Company Secretary to designate any person including the Chairman of the Meeting as proxy.*
   (d) *If this **Proxy Form** is returned without any indication as to how the person appointed proxy shall vote, the person appointed proxy will exercise his/her discretion as to how he/she votes or whether he abstains from voting.*
3. *Postal Vote Form:*
   (a) *If the form is used as a **Postal Vote Form**, to be valid, it must be completed, signed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than **48** hours before the time fixed for holding the meeting or adjourned meeting.*
   (b) *This **Postal Vote Form** must be signed by the shareholder or his/her attorney duly authorised in writing.*
   (c) *If this **Postal Vote Form** is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*
   (d) *If this **Postal Vote Form** is signed by an attorney of a shareholder, a certificate of non-revocation of the power of attorney must be attached, together with a copy of the power of attorney unless it has previously been produced to the Company.*
4. *Joint Shareholding:*
   (a) *In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.*
   (b) *However, in case one or more proxy/postal vote form is received from the joint holders, the proxy/postal vote form received from the shareholder whose name appear first on the register will be considered.*

FOR BODY CORPORATE

Form of appointment of **representative By Body Corporate***

I/We the undersigned being duly authorised to sign this form on behalf of

(name of Body Corporate)

of

(address of Body Corporate

being the duly authorised shareholder of **ENL LIMITED** (the Company), hereby appoint

(name of representative)

of

(address of representative)

or failing him/her

(name of representative)

of

(address of representative)

as representative to vote for the Body Corporate at the Annual Meeting of the Company to be held at The Pod, Vivéa Business Park, Moka on **16 December 2022** commencing at **09.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote in the following manner:

Postal vote form **By Body Corporate***

I/We the undersigned being duly authorised to sign this form on behalf of

(name of Body Corporate)

of

(address of Body Corporate

being the duly authorised shareholder/s of **ENL LIMITED** (the Company), entitled to attend the Annual Meeting of the Company to be held at The Pod, Vivéa Business Park, Moka on **16 December 2022** commencing at **09.00 a.m.** and at any adjournment thereof, cast my votes on the proposed resolutions in the following manner:

RESOLUTIONS

(Please indicate with an X in the spaces below how you wish your votes to be cast)

	Ordinary Resolutions	For	Against	Abstain
I.	Resolved that the audited financial statements of the Company for the year ended 30 June 2022 be hereby approved.			
II.	Resolved that Mr Roger Espitalier Noël be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.			
III.	Resolved that Mr Mushtaq Oosman be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.			
IV.	Resolved that Mr Gérard Espitalier Noël be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.			
V.	Resolved that Mr Jean Noël Humbert be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.			
VI.	Resolved that Mr Simon-Pierre Rey be hereby re-appointed as Director of the Company to hold office until the next Annual Meeting of the Company.			
VII.	Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001.			

Signed this ______ day of ______ 2022 by

Sign here X ______ Sign here X ______

Name: ______ Name: ______

Affix body corporate seal here

who warrant that he/she is/they are duly mandated and authorised to sign the present form

PLEASE FILL IN EITHER THE FORM OF APPOINTMENT OF REPRESENTATIVE BY BODY CORPORATE OR THE POSTAL VOTE FORM BY BODY CORPORATE, BUT NOT BOTH

NOTES

1. *A body corporate who is a shareholder of the Company entitled to attend and vote at this meeting may **either** appoint a representative to attend and vote on its behalf **or** may cast its vote by post.*
2. *Appointment of Representative:*
   - *(a) If the form is used as a **Form of Appointment of Representative**, to be valid, it must be completed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than **24** hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) A body corporate, who is a shareholder, may appoint a representative of its own choice. Insert the name of the person appointed as representative in the space provided.*
   - *(c) Where the appointor is a body corporate, this **Form of Appointment of Representative** must be under its common seal and under the hand of the officer/s or attorney duly authorised.*
   - *(d) If this **Form of Appointment of Representative** is returned, duly signed, without any indication of representative, the shareholder will be deemed to have authorised the Company Secretary to designate any person including the Chairman of the Meeting as proxy.*
   - *(e) If this **Form of Appointment of Representative** is returned without any indication as to how the person appointed representative shall vote, he/she will exercise his discretion as to how he/she votes or whether he abstains from voting.*
3. *Postal Vote Form:*
   - *(a) If the form is used as a **Postal Vote Form**, to be valid, it must be completed, signed and deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than **48** hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) This **Postal Vote Form** must be under the body corporate's common seal and under the hand of the officer/s or attorney duly authorised.*
   - *(c) If this **Postal Vote Form** is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*
4. *Joint Shareholding:*
   - *(a) In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.*
   - *(b) However, in case one or more Form of Appointment of Representative/Postal Vote Form is received from the joint holders, the Form of Appointment of Representative/Postal Vote Form received from the shareholder whose name appear first on the register will be considered.*

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ENL Limited

ENL House • Vivéa Business Park • Moka • Mauritius

T +230 404 9500 | F +230 404 9565

investors@enl.mu | www.enl.mu