



# CONSOLIDATED AND SEPARATE **FINANCIAL STATEMENTS**

164	Independent Auditor's report
174	Statements of Financial Position
176	Statements of Profit or Loss
177	Statements of Comprehensive Income
178	Statements of Changes in Equity
182	Statements of Cash Flows
184	Notes to the Financial Statements



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated and separate financial statements of IBL Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 174 to 335 which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss, consolidated and separate statements of 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 Group and Company as at 30 June 2021, 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

#### Key Audit Matters (Continued)

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Expected credit losses under IFRS 9 on non-current loan receivables and trade and other receivables</b></p> <p>IFRS 9 Financial Instruments requires an entity to incorporate reasonable and supportable information about past events, current conditions and forecasted future economic conditions into the assessment of expected credit losses ("ECL") for trade and other receivables as well as non-current loan receivables. Such an assessment should be based on information at the reporting date and adjusted for subsequent available information where applicable.</p> <p>The current year results were affected by expected credit losses of Rs 159.2 million and Rs 54.2 million at Group and Company level respectively. Included in these figures are:</p> <ul style="list-style-type: none"> <li>· ECL recognised for non-current loan receivables amounting to Rs 94.4 million and Rs 7.2 million for the Group and Company respectively</li> <li>· ECL reversal for trade and other receivables amounting to Rs 62.0 million at Group level and ECL amounting to Rs 7.0 million at Company level.</li> </ul> <p>ECLs are calculated both for individually significant receivables that are past due and collectively on a portfolio basis which require the use of statistical models incorporating loss data and assumptions on the recoverability of customers' outstanding balances.</p> <p>The calculation of ECLs is complex and involves several judgmental assumptions. As a result, ECL calculation on non-current loan receivables and trade and other receivables have been identified as a key audit matter.</p> <p>Refer to notes 2(B), 3, 17, 18 and 28(b) to the consolidated and separate financial statements for the accounting policies and the relevant disclosures.</p>	<p><b>Procedures performed on non-current loan receivables and trade and other receivables at Group and Company level</b></p> <p><b>Trade and other receivables</b></p> <p>We verified whether the ECL methodology developed by management for trade and other receivables are consistent with the requirements of IFRS 9.</p> <p>We tested management's key assumptions and judgments used in the models to determine the expected credit loss such as the loss rate by comparing these to historical data. We also ensured the completeness and internal consistency of data used and its mathematical accuracy by performing the following procedures:</p> <ul style="list-style-type: none"> <li>· We tested the age buckets of the balances due for the relevant periods;</li> <li>· We ensured proper allocation of receipts;</li> <li>· We agreed the balances at year end to source data, such as the general ledger; and</li> <li>· We verified that the formulae were properly applied throughout to obtain the expected credit loss.</li> </ul> <p>We stress tested the ECL provisions by applying an overlay of 10% on management's calculation to ascertain whether the resulting changes were not significantly different from the reported figures.</p> <p>We reviewed the working papers and deliverables of the component auditors relating to the calculation of expected credit losses under IFRS 9. We discussed with them the main assumptions used in the model, their audit findings and the conclusions reached thereon.</p> <p><b>Non-current loan receivables</b></p> <p>We assessed whether the counter parties have the ability to repay their amounts due based on their unrestricted cash position (i.e., readily available for use) at year end. Where ability to repay full amounts is not conclusive, the recovery period of the balances is determined based on the cash flow forecast of the borrower.</p>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
	<p>We tested the underlying assumptions and underlying information used in the cashflow forecasts to source data such as budgets to ensure that the amount due is fully recoverable over management's assessed recovery period. We ensured that expected credit losses are booked where there is a shortfall of the discounted cash flow against the amount receivable at year end.</p> <p>We reviewed the adequacy of the Group's and Company's disclosures as per notes 2(B), 3, 17, 18 and 28(b) in the consolidated and separate financial statements.</p>
<p><b>Valuation of unquoted investments</b></p> <p>Both the Group and the Company hold unquoted investments which are carried at fair value through other comprehensive income (OCI) and are classified as level 3 financial instruments in the fair value hierarchy.</p> <p>As at 30 June 2021, the fair value of these unquoted investments which comprised investments in subsidiaries, associates, joint ventures and other financial assets amounted to Rs 17.1 billion at the Company's separate financial statements level.</p> <p>At Group level, other financial assets at fair value through OCI classified as level 3 amounted to Rs 237.7 million as at 30 June 2021.</p> <p>These investments are valued using different methods ranging from price to earnings multiple, EBITDA multiple or discounted cash flow techniques. 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 therefore differ from the estimates.</p>	<p><b>Our procedures in relation to assessing the fair values of unquoted investments are described below:</b></p> <p>We evaluated the design and implementation of the controls over the valuation process.</p> <p>We reviewed the appropriateness of the valuation methodology and models used, and whether they are in line with generally acceptable valuation guidelines and principles.</p> <p>Where market multiples were used, we evaluated the assessment made by management with respect to the selection of appropriate comparable listed companies and adjustments to the valuation multiples.</p> <p>Where cash flow techniques were used, we reviewed the value-in-use obtained from these cash flow forecasts and performed the following procedures:</p> <ul style="list-style-type: none"> <li>We reviewed the Group's controls relating to the preparation and approval of cash flow forecasts;</li> <li>We verified the mathematical accuracy of the cash flow model used and checked the internal inconsistency of the models;</li> <li>We considered the accuracy of historical forecasts prepared by management in the prior year and compared the assumptions used in previous forecasts against actual realised amounts, thereby testing management's ability to make forecasts;</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
<p>Management has disclosed the judgments and estimates used for the fair valuation of investments in note 3 to the separate financial statements. The disclosures relating to the valuation of unquoted investments have been provided in notes 11, 12, 13, 14 and 37 to the separate financial statements.</p> <p>Due to the significance of this balance in the consolidated and separate financial statements, and the significant judgments applied by management in the fair value assessment, the valuation of unquoted investments was considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We assessed the reasonableness of the significant inputs and assumptions used in the discounted cash flow such as growth rates and discount rates, also considering illiquidity and size of holdings;</li> <li>We challenged the key judgments by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans; and</li> <li>We performed sensitivity analysis of a reasonable possible changes in growth rates and discount rates to evaluate the impact on the value in use calculations.</li> </ul> <p>An independent corroborative valuation on the unquoted investments was also performed to assess the reasonableness of values arrived at by management.</p> <p>We also assessed the appropriateness and completeness of the related disclosures in notes 3, 11, 12, 13, 14 and 37 of the separate financial statements.</p>
<p><b>Assessment of impairment of goodwill</b></p> <p>The carrying amount of goodwill recognised at Group level amounted to Rs 1.98 billion as at 30 June 2021 and an impairment loss of Rs 23.7 million was recognised 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 judgment on the part of management in both identifying and then valuing the relevant CGUs.</p> <p>The value-in-use calculations use discounted cash flow (DCF) projections based on financial budgets approved by the Board which involve judgment by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins and operating margins. The on-going COVID-19 pandemic creates uncertainties around the projections of future income and growth rate assumptions and discount rates. More specifically, there is uncertainty around the duration of the pandemic and timing of the recovery of the economy.</p>	<p><b>Our procedures in relation to assessing the impairment of goodwill included the following:</b></p> <p>We evaluated the appropriateness of management's identification of the Group's CGUs and tested the operation of the Group's controls over the impairment assessment process.</p> <p>Our audit procedures included challenging management on the appropriateness of the impairment model and reasonableness of the assumptions used through performing the following:</p> <ul style="list-style-type: none"> <li>We reviewed the Group's controls relating to the preparation and approval of cash flow forecasts;</li> <li>We verified the mathematical accuracy of the cash flow models used and checked the internal inconsistency of the models;</li> <li>We assessed the reliability of cash flow forecasts through a review of actual performance compared to previous forecasts;</li> <li>We assessed the reasonableness of the significant inputs and assumptions used in the discounted cash-flow such as growth rates and discount rates; and</li> <li>We challenged the key judgments by management with reference to historical trends, our own expectations based on our industry knowledge and management's strategic plans given the continuing impact of COVID-19 on the economy.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
<p>These factors have made the timing and amount of future cash flows more uncertain, when they are already inherently uncertain.</p> <p>Management has disclosed the accounting judgments and estimates relating to goodwill impairment review in note 3 to the consolidated financial statements. The disclosures relating to the assumptions used to determine the recoverable amount of the goodwill has been provided in note 6.</p> <p>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.</p>	<p>We reviewed the working papers of the component auditors relating to the impairment of goodwill in material subsidiaries and discussed with them the rationale for the impairment methodology used, main assumptions, sensitivities of the impairment workings to these assumptions, their audit findings and their conclusions on the impairment in goodwill charged in these subsidiaries.</p> <p>We also assessed the appropriateness and completeness of the related disclosures in notes 3 and 6 of the consolidated financial statements.</p>
<p><b>Valuation of employee benefit liabilities</b></p> <p>The Group's and the Company's employee benefit liabilities comprise the obligations under the defined benefit plan and the Workers' Rights Act. The total present value of pension obligations under the defined benefit plan and the Workers' Rights Act are Rs 2.1 billion and Rs 730 million for the Group and the Company respectively and is therefore significant.</p> <p>The valuation of the pension obligations under IAS 19 Employee Benefits requires judgment in determining assumptions such as salary increases, mortality rates, withdrawal rates, discount rates and inflation level as disclosed in notes 3 and 24. The COVID-19 pandemic continues to impact these key assumptions, especially the discount rates and future long-term salary increases.</p> <p>Management has applied judgment in determining the employee benefit liabilities and has involved an actuary to assist with the IAS 19 provisions and disclosures. The setting of the assumptions identified above is complex and is an area of significant judgment whereby changes in any of these assumptions could lead to a material change in employee benefit liabilities within the separate and consolidated financial statements. A sensitivity analysis on the key assumptions is set out in note 24 of the separate and consolidated financial statements.</p> <p>Employee benefit liabilities are considered a key audit matter due to the significance of the balance to the financial statements as a whole and due to the judgment associated with determining the amount of provision.</p>	<p><b>Our procedures in relation to the valuation of the employment benefit liabilities included the following:</b></p> <p>Evaluated the appropriateness of the assumptions applied in the valuation of the employment benefit liabilities, and the information contained within the actuarial valuation reports with our internal pension specialist team. We compared the discount rates and annual salary increase applied with historical data and market data available at year end and ensured that they were reasonable.</p> <p>We tested the completeness and accuracy of the underlying membership data provided to the actuary to determine the underlying value of the pension liability.</p> <p>We assessed the competence and objectivity of the qualified actuaries engaged by the Group to value the defined benefit pension obligations under IAS 19.</p> <p>We assessed the completeness and accuracy of disclosures in notes 3 and 24 of the financial statements in accordance with IAS 19.</p> <p>We reviewed the working papers of the component auditors relating to the valuation of employee benefit liabilities and discussed with them the main assumptions used, procedures performed to ensure completeness of the underlying membership data, their audit findings and the conclusions reached thereon.</p>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
<p><b>Valuation of insurance contract liabilities (gross outstanding claims)</b></p> <p>Insurance contract liabilities amount to Rs 1.46 billion and its valuation involves a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses a range of actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.</p> <p>Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, some catastrophic events can be more complex to model using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves.</p> <p>Given its complexity and significance, the valuation of insurance contract liabilities has been considered as a key audit matter.</p> <p>Refer to notes 3 and 9 to the consolidated and separate financial statements for the relevant disclosures.</p>	<p><b>Our audit procedures in relation to the valuation of insurance contract liabilities (gross outstanding claims) are described below:</b></p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"). In particular, we tested the controls over the integrity of data utilised and the assumptions setting and governance processes used by management related to the valuation of insurance contract liabilities.</p> <p>In relation to the particular matters set out above, our substantive testing procedures included the following:</p> <ul style="list-style-type: none"> <li>We reviewed the documentation around outstanding claims which are high in value and involving longer settlement periods and tested management best estimates of the settlement outcome. Where appropriate we obtained legal confirmation to corroborate management's assessment;</li> <li>We tested the completeness and accuracy of underlying claims data that are sent to the actuary in estimating general insurance loss reserves. This includes the testing of information sent to the actuary for the determination of IBNR;</li> <li>We evaluated the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements;</li> <li>We evaluated management's methodology and assumptions against actuarial practices and industry standards;</li> <li>We evaluated whether the actuary has the relevant expertise and experience in this field; and</li> <li>We reviewed the adequacy of the disclosures made in the financial statements.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
<p><b>Fair valuation of investment properties and land and buildings classified under property, plant and equipment</b></p> <p>The Group has investment properties of Rs 3.1 billion at 30 June 2021, representing 4.5% of total assets. As detailed in note 3 to the financial statements, these are measured at fair value, with the corresponding changes in fair values being recognised in the statement of profit or loss.</p> <p>The investment properties have been fair valued by independent external valuers and management's internal experts as detailed in note 5 to the financial statements. Significant judgments have been used by management's internal valuers and the independent external valuers in determining the fair value of investment properties. The fair value gains on the investment properties for the year ended 30 June 2021 amounted to Rs 120 million.</p> <p>The Group has property, plant and equipment of Rs 29.8 billion, of which Rs 21.2 billion are land and buildings. The Group has a policy of recording land and buildings at fair value and valuations are undertaken with sufficient regularity (i.e., between 1 to 4 years) by independent external valuers. The corresponding gains on revaluation reported in other comprehensive income amounts to Rs 350.7 million.</p> <p>Valuation of investment properties and land and buildings is a key audit matter due to the financial magnitude and judgement involved in the assessment of the fair value of these assets. The disclosures relating to the fair valuation of these assets are provided in notes 3, 4 and 5.</p>	<p><b>Our procedures in relation to the valuation of investment properties and land and buildings classified under property, plant and equipment are described below:</b></p> <p>We reviewed the working papers and deliverables of the component auditors and ensured that they had:</p> <ul style="list-style-type: none"> <li>Obtained, read and understood the 2021 reports from the independent valuation specialists and management's internal experts;</li> <li>Tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the external property valuers and management's internal experts;</li> <li>Assessed the qualifications, competence, capabilities and objectivity of management's internal experts and the independent external valuers;</li> <li>Verified the appropriateness of the models used by the independent external valuers and the internal management's expert; and</li> <li>Reviewed the scope of work with management to ensure that there were no matters affecting the internal and external valuers' judgments.</li> </ul> <p>Other audit procedures also included discussing with component auditors how they challenged key assumptions adopted in the valuations and reasonableness of the assumptions used through performing the following:</p> <ul style="list-style-type: none"> <li>Tests of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable.</li> <li>Discussions with the external property valuers and the internal management's expert, and challenging the key assumptions comprising the discount rates and capitalisation rates adopted in the valuations, available market selling prices, market rents and comparing them with historical rates and other available market data.</li> <li>Performing a sensitivity analysis using the key assumptions used.</li> <li>Ensuring the reasonableness of the inputs and assumptions used in the context of the on-going COVID-19 pandemic.</li> <li>For those land and buildings not fair valued during the year, confirming that no significant events would have affected their last revalued amount and carrying value at year end.</li> <li>Reviewing that proper disclosures have been made in respect of valuation of investment properties and land and buildings.</li> </ul> <p>We have reviewed the significant estimates and critical judgments and ensured that adequate disclosures as per IAS 40 Investment Property and IAS 16 Property, Plant and Equipment have been made in the consolidated financial statements.</p>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

## 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
<p><b>Accounting of funds received from the Mauritius Investment Corporation ("MIC")</b></p> <p>During the financial year, one of the subsidiaries of the Group, Lux Island Resorts Ltd (LIR) has contracted redeemable convertible bonds amounting to Rs 920 million from the MIC, a wholly owned subsidiary of the Bank of Mauritius. One of the objectives of the MIC is to provide support to companies affected by the COVID-19 pandemic. The aim of these bonds was to ensure that LIR has the required working capital in the foreseeable future.</p> <p>Management mandated their legal experts to provide an opinion on certain aspects of the agreement between LIR and the MIC. It was concluded that the convertible bonds should be classified as an equity instrument.</p> <p>The accounting of the MIC funding obtained was a key area of audit focus owing to the complexity of the agreement and its impact on the accounting treatment and the magnitude of the amounts involved.</p> <p>Refer to notes 3 and 20(c) to the consolidated financial statements for the accounting policies and the relevant disclosures.</p>	<p><b>Our procedures in relation to the accounting of funds included the following:</b></p> <p>We reviewed the working papers of the component auditor relating to the issue of the bonds and ensured that they had:</p> <ul style="list-style-type: none"> <li>Obtained and reviewed the terms of the subscription agreement entered between the Group and the MIC, as well as the legal opinion prepared by management's legal experts.</li> <li>Involved their internal legal experts to assess the terms of the contract and the legal opinion received from management's legal experts.</li> <li>Involved their accounting technical specialists to assess all legal facts in order to assess the proper classification between an equity instrument and a liability, as well as the measurement and relevant disclosures regarding the instrument.</li> </ul> <p>We engaged and discussed with our internal technical specialists to validate the accounting treatment of the bonds issued.</p> <p>We assessed the appropriateness and completeness of the related disclosures in notes 3 and 20(c) of the consolidated financial statements.</p>

**Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the document titled "IBL LTD CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021", which includes Corporate Governance Report, Statement of Directors' Responsibilities, Statement of Compliance, Statutory Disclosures and the Certificate from Company Secretary as required by the Companies Act 2001, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated or the 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 identified above 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 on the other information obtained prior to the date of this auditor's report, 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.

**Corporate Governance Report**

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 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, complied with the requirements of the Code.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

#### *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.

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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

### 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)*

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.

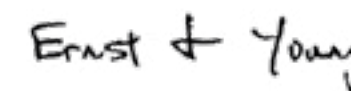
## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### *Companies Act 2001*

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

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

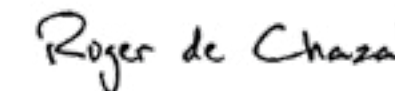
In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



**ERNST & YOUNG**

Ebène, Mauritius

Date: 30 September 2021



**ROGER DE CHAZAL, A.C.A.**

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## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	4	29,772,771	28,355,603	582,235	588,529
Investment properties	5	3,123,499	2,857,422	-	-
Intangible assets	6	2,456,225	2,168,837	21,364	34,282
Deferred tax assets	7	496,147	588,737	48,105	116,205
Right of use assets	16(a)	4,901,887	5,108,832	73,074	64,109
Non-current loan receivables	17	92,263	44,012	93,111	183,026
Employee benefit and related assets	24	6,798	11,324	231,583	437,712
Non-current contract assets	29(f)	77,600	84,304	-	-
Investment in:					
- Subsidiaries	11	-	-	21,314,818	18,441,550
- Associates	12	10,180,691	9,472,435	6,058,867	5,325,526
- Joint ventures	13	90,950	117,057	382,625	302,580
- Other financial assets	14	1,002,060	729,273	102,300	122,369
		11,273,701	10,318,765	27,858,610	24,192,025
		52,200,891	49,537,836	28,908,082	25,615,888
<b>CURRENT ASSETS</b>					
Consumable biological assets	8	54,427	45,776	-	-
Inventories	15	6,195,328	5,260,298	1,188,083	961,437
Trade and other receivables	18	4,983,767	5,401,235	1,484,656	1,047,314
Contract assets	29(f)	716,204	507,256	-	-
Gross outstanding claims - Reinsurance assets	9	838,134	916,482	-	-
General insurance fund - Reinsurance assets	10(a)	266,451	194,669	-	-
Current tax assets	26	70,467	72,265	2,000	4,965
Other financial assets	14	195,714	179,643	-	-
Cash and cash equivalents		4,622,354	3,246,736	485,399	640,033
		17,942,846	15,824,360	3,160,138	2,653,749
Assets classified as held for sale	21	838,519	921,518	-	-
<b>TOTAL ASSETS</b>		<b>70,982,256</b>	<b>66,283,714</b>	<b>32,068,220</b>	<b>28,269,637</b>

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>EQUITY AND LIABILITIES</b>					
Stated capital	20(a)	1,361,941	1,361,941	1,361,941	1,361,941
Restricted redeemable shares	20(b)	5,000	5,000	5,000	5,000
Revaluation and other reserves		6,578,649	6,072,422	11,853,881	8,853,218
Retained earnings		7,087,865	6,624,092	4,938,635	5,054,408
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>15,033,455</b>	<b>14,063,455</b>	<b>18,159,457</b>	<b>15,274,567</b>
<b>NON-CONTROLLING INTERESTS</b>		<b>12,438,187</b>	<b>11,097,260</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>27,471,642</b>	<b>25,160,715</b>	<b>18,159,457</b>	<b>15,274,567</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	22	19,693,517	13,687,142	10,084,594	7,000,000
Lease liabilities	16(b)	4,030,477	4,177,963	54,856	48,265
Employee benefit and related liabilities	24	2,094,096	3,211,779	729,846	1,202,660
Government grants	27	29,864	33,923	-	-
Deferred tax liabilities	7	1,033,829	1,012,712	-	-
Contract liabilities	29	19,734	-	-	-
Other payables	23	243,208	126,633	142,275	78,562
		27,144,725	22,250,152	11,011,571	8,329,487
<b>CURRENT LIABILITIES</b>					
Borrowings	22	4,425,838	7,991,695	1,399,141	2,921,299
Lease liabilities	16(b)	554,697	474,087	22,027	18,019
Trade and other payables	25	8,106,851	7,055,827	1,235,813	1,441,861
Gross outstanding claims	9	1,456,836	1,558,839	-	-
General insurance fund	10(a)	477,987	455,380	-	-
Contract liabilities	29(g)	577,997	494,824	15,737	19,117
Dividend payable	19	320,814	353,837	224,474	265,287
Current tax liabilities	26	59,024	33,633	-	-
Government grants	27	12,646	12,869	-	-
		15,992,690	18,430,991	2,897,192	4,665,583
Liabilities associated with assets classified as held for sale	21	373,199	441,856	-	-
<b>TOTAL LIABILITIES</b>		<b>43,510,614</b>	<b>41,122,999</b>	<b>13,908,763</b>	<b>12,995,070</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>70,982,256</b>	<b>66,283,714</b>	<b>32,068,220</b>	<b>28,269,637</b>

Approved by the Board of Directors and authorised for issue on 30 September 2021.



Jan Boullé  
Chairman of the Board of Directors



Richard Arlove  
Director

The notes form an integral part of these financial statements.  
The Independent Auditor's report is on pages 164 to 173.



## STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Continuing operations</b>					
Revenue from contracts with customers	29(a)	34,248,243	35,012,522	4,765,899	4,412,409
Gross insurance premiums	29(b)	1,487,302	1,410,717	-	-
Rental income	29(c)	120,377	96,214	2,059	-
Dividend income	29(d)	6,020	22,417	725,400	601,904
<b>Revenue</b>	29	<b>35,861,942</b>	<b>36,541,870</b>	<b>5,493,358</b>	<b>5,014,313</b>
Cost of sales		(25,754,654)	(25,345,041)	(3,779,105)	(3,435,925)
Reinsurance premiums ceded		(966,958)	(846,200)	-	-
Release from general insurance fund	10(a)	49,175	88,294	-	-
<b>Gross profit</b>		<b>9,189,505</b>	<b>10,438,923</b>	<b>1,714,253</b>	<b>1,578,388</b>
Other income	30	1,222,972	748,314	204,711	265,069
Administrative expenses	28(a)	(9,378,737)	(10,052,746)	(1,486,310)	(1,528,074)
Expected credit losses	28(b)	(159,225)	(284,716)	(54,152)	(335,422)
Gross claims paid	10(b)	(659,716)	(815,316)	-	-
Claims recovered from reinsurers	10(b)	299,550	431,055	-	-
<b>Operating profit</b>		<b>514,349</b>	<b>465,514</b>	<b>378,502</b>	<b>(20,039)</b>
Interest income using the EIR method	31	84,831	48,644	13,839	56,951
Finance costs	32	(1,193,283)	(1,205,216)	(360,997)	(361,982)
Impairment of goodwill	6	(23,731)	(850,763)	-	-
Impairment of investment in associates	12(a)	(34,509)	(198,612)	-	-
Impairment of investment in joint ventures	13	(16,610)	-	-	-
Other gains and losses	33	204,832	(26,749)	11,711	241,012
Share of results of associates	12	731,598	539,050	-	-
Share of results of joint ventures	13	25,431	29,385	-	-
<b>Profit/(loss) before tax</b>		<b>292,908</b>	<b>(1,198,747)</b>	<b>43,055</b>	<b>(84,058)</b>
Tax expense	26	(126,628)	(137,345)	(31,975)	(25,238)
<b>Profit/(loss) for the year from continuing operations</b>		<b>166,280</b>	<b>(1,336,092)</b>	<b>11,080</b>	<b>(109,296)</b>
<b>Discontinued operations</b>					
Loss for the year from discontinued operations	21	(309,930)	(90,060)	-	-
Profit on disposal of subsidiaries	38	218,575	-	-	-
<b>Profit/(loss) for the year</b>	28	<b>74,925</b>	<b>(1,426,152)</b>	<b>11,080</b>	<b>(109,296)</b>
<b>Attributable to:</b>					
- Owners of the Company		7,318	(1,191,133)	11,080	(109,296)
- Non-controlling interests		67,607	(235,019)	-	-
		<b>74,925</b>	<b>(1,426,152)</b>	<b>11,080</b>	<b>(109,296)</b>
<b>Earnings/(loss) per share (Rs)</b>					
<b>Basic and diluted:</b>					
- From continuing and discontinued operations	40	0.01	(1.75)		
- From continuing operations	40	0.25	(1.62)		
- From discontinued operations	40	(0.23)	(0.13)		

The notes form an integral part of these financial statements.  
The Independent Auditor's report is on pages 164 to 173.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Profit/(loss) for the year</b>		<b>74,925</b>	<b>(1,426,152)</b>	<b>11,080</b>	<b>(109,296)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Share of OCI of associates	12	-	6,342	-	-
Net gain/(loss) on equity instruments at FVTOCI	(a)	33,632	(54,625)	2,974,330	(3,541,606)
Revaluation of land and buildings	4	585,764	905,393	31,726	-
Deferred tax on revaluation of land and buildings	7	(65,582)	(100,435)	(5,393)	-
Remeasurement of employee benefit liabilities	24	1,110,870	(1,173,827)	207,766	(318,277)
Deferred tax on remeasurement of employee benefit liabilities	7	(177,658)	169,979	(35,320)	54,107
Remeasurement of employee benefit liabilities - share of associates	12	17,599	(57,247)	-	-
Remeasurement of employee benefit liabilities - share of joint ventures	13	4,508	-	-	-
		<b>1,509,133</b>	<b>(304,420)</b>	<b>3,173,109</b>	<b>(3,805,776)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Cash flow hedge movements	22(e)	(352,843)	(168,082)	-	-
Deferred tax on cash flow hedge movements	7	54,562	32,345	-	-
Exchange differences on translating foreign operations		529,052	516,083	-	-
Other movements in reserves		(3,425)	(17,778)	-	-
Share of OCI of associates	12	216,546	265,970	-	-
Share of OCI of joint ventures	13	-	(5,663)	-	-
Total other comprehensive income/(loss)		<b>1,953,025</b>	<b>318,455</b>	<b>3,173,109</b>	<b>(3,805,776)</b>
Total comprehensive income/(loss) for the year		<b>2,027,950</b>	<b>(1,107,697)</b>	<b>3,184,189</b>	<b>(3,915,072)</b>
<b>Attributable to:</b>					
Owners of the Company		1,291,643	(1,014,730)	3,184,189	(3,915,072)
Non-controlling interests		736,307	(92,967)	-	-
		<b>2,027,950</b>	<b>(1,107,697)</b>	<b>3,184,189</b>	<b>(3,915,072)</b>
Total comprehensive income for the year analysed as follows:					
Continuing operations		2,337,880	(1,017,638)	3,184,189	(3,915,072)
Discontinued operations		(309,930)	(90,059)	-	-
		<b>2,027,950</b>	<b>(1,107,697)</b>	<b>3,184,189</b>	<b>(3,915,072)</b>

(a) The fair value gain/(loss) is analysed as follows:

		THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Subsidiaries	11	-	-	2,116,201	(3,499,720)
Associates	12	-	-	814,755	1,925
Joint ventures	13	-	-	63,443	(45,099)
Other financial assets	14	33,632	(54,625)	(20,069)	1,288
		<b>33,632</b>	<b>(54,625)</b>	<b>2,974,330</b>	<b>(3,541,606)</b>

The notes form an integral part of these financial statements.  
The Independent Auditor's report is on pages 164 to 173.



## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

## THE GROUP

	ATTRIBUTABLE TO EQUITY OWNERS				ATTRIBUTABLE TO EQUITY OWNERS						
	Stated capital	Restricted redeemable shares	Revaluation reserves	Currency translation reserves	Fair value reserves	(Note (a)) Other reserves	Capital contribution reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 1 July 2019</b>	1,361,941	5,000	2,431,266	52,376	2,744	317,141	2,382,387	8,945,738	15,498,593	11,520,953	27,019,546
Profit for the year	-	-	-	-	-	-	-	(1,191,133)	(1,191,133)	(235,019)	(1,426,152)
Other comprehensive income/(loss) for the year	-	-	380,489	522,356	6,291	58,331	-	(791,064)	176,403	142,052	318,455
<b>Total comprehensive income/(loss) for the year</b>	-	-	380,489	522,356	6,291	58,331	-	(1,982,197)	(1,014,730)	(92,967)	(1,107,697)
Changes in percentage holding in subsidiaries (Note 38)	-	-	-	-	-	-	-	(5,471)	(5,471)	(2,602)	(8,073)
Revaluation surplus realised on depreciation	-	-	(80,959)	-	-	-	-	80,959	-	-	-
Dividends paid to non-controlling interests (Note 19)	-	-	-	-	-	-	-	-	-	(328,124)	(328,124)
Dividends (Note 19)	-	-	-	-	-	-	-	(414,937)	(414,937)	-	(414,937)
<b>At 30 June 2020</b>	1,361,941	5,000	2,730,796	574,732	9,035	375,472	2,382,387	6,624,092	14,063,455	11,097,260	25,160,715
<b>At 1 July 2020</b>	1,361,941	5,000	2,730,796	574,732	9,035	375,472	2,382,387	6,624,092	14,063,455	11,097,260	25,160,715
Profit for the year	-	-	-	-	-	-	-	7,318	7,318	67,607	74,925
Other comprehensive income/(loss) for the year	-	-	331,099	524,978	4,919	(172,847)	-	596,176	1,284,325	668,700	1,953,025
<b>Total comprehensive income/(loss) for the year</b>	-	-	331,099	524,978	4,919	(172,847)	-	603,494	1,291,643	736,307	2,027,950
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	(257)	(257)
Changes in percentage holding in subsidiaries (Note 38)	-	-	-	-	-	-	-	(22,344)	(22,344)	21,444	(900)
Revaluation surplus realised on depreciation	-	-	(5,660)	-	-	-	-	5,660	-	-	-
Convertible bonds issued to non-controlling interests (Note 20(c))	-	-	-	-	-	-	-	-	-	744,083	744,083
Interests paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,963)	(4,963)
Other movements in reserves and retained earnings	-	-	(311,239)	89,930	126,315	(89,930)	-	184,924	-	-	-
Movement in reserves of associated companies	-	-	-	-	(2,579)	11,241	-	(8,662)	-	-	-
Shares issued to non-controlling interests	-	-	-	-	-	-	-	-	-	182,088	182,088
Dividends paid to non-controlling interests (Note 19)	-	-	-	-	-	-	-	-	-	(337,775)	(337,775)
Dividends (Note 19)	-	-	-	-	-	-	-	(299,299)	(299,299)	-	(299,299)
<b>At 30 June 2021</b>	1,361,941	5,000	2,744,996	1,189,640	137,690	123,936	2,382,387	7,087,865	15,033,455	12,438,187	27,471,642

Note (a): Other reserves include cash flow hedge movement as well as reserve adjustments following changes in shareholding of subsidiaries without loss of control.

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

## THE COMPANY

	Stated capital Rs'000	Restricted redeemable shares Rs'000	Fair value reserve Rs'000	Revaluation reserve Rs'000	Capital contribution reserve Rs'000	Retained earnings Rs'000	Total Rs'000
<b>At 1 July 2019</b>	1,361,941	5,000	6,817,968	193,103	5,383,752	5,842,812	19,604,576
Loss for the year	-	-	-	-	-	(109,296)	(109,296)
Other comprehensive loss for the year	-	-	(3,541,605)	-	-	(264,171)	(3,805,776)
<b>Total comprehensive loss for the year</b>	-	-	(3,541,605)	-	-	(373,467)	(3,915,072)
Dividends (Note 19)	-	-	-	-	-	(414,937)	(414,937)
<b>At 30 June 2020</b>	1,361,941	5,000	3,276,363	193,103	5,383,752	5,054,408	15,274,567
<b>At 1 July 2020</b>	1,361,941	5,000	3,276,363	193,103	5,383,752	5,054,408	15,274,567
Profit for the year	-	-	-	-	-	11,080	11,080
Other comprehensive income for the year	-	-	2,974,331	26,332	-	172,446	3,173,109
<b>Total comprehensive income for the year</b>	-	-	2,974,331	26,332	-	183,526	3,184,189
Dividends (Note 19)	-	-	-	-	-	(299,299)	(299,299)
<b>At 30 June 2021</b>	1,361,941	5,000	6,250,694	219,435	5,383,752	4,938,635	18,159,457

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>OPERATING ACTIVITIES</b>					
Profit/(loss) before tax from continuing operations		292,908	(1,198,747)	43,055	(84,058)
Loss before tax from discontinued operations		(309,930)	(90,060)	-	-
(Loss)/profit before tax		(17,022)	(1,288,807)	43,055	(84,058)
<b>Adjustments to reconcile (loss)/profit before tax to net cash flows:</b>					
Share of profits from associates	12(a)	(731,598)	(539,050)	-	-
Share of profits from joint ventures	13	(25,431)	(29,385)	-	-
Depreciation and impairment of property, plant and equipment	28(a)	1,627,502	1,621,744	62,335	60,220
Assets written off		15,649	156,095	4,347	-
Profit on disposal of property, plant and equipment, intangible assets and investment properties	30	(12,990)	(13,131)	(614)	235
Loss on disposal of held for sale assets	33	60,888	-	-	-
Depreciation on right of use assets	28(a)	580,284	489,569	22,716	20,401
Amortisation of intangible assets	28(a)	92,132	116,892	14,138	15,874
Amortisation of grants	27	(4,801)	(5,946)	-	-
Impairment of intangible assets	6	25,837	852,880	-	-
Impairment of right of use assets	16	70,111	-	7,490	-
Impairment of property, plant and equipment		13,249	-	-	-
Profit on disposal of investments in other financial assets		-	(11,604)	-	-
Gain on disposal of associates		(59,724)	-	-	-
Impairment of held for sale assets	33	86,452	-	-	-
Impairment loss on associates and joint ventures		51,119	231,602	-	-
Net loss on debt instruments at FVTPL		(85,667)	16,845	(3,500)	-
Reassessment of leases	16(a), (b)	(82,106)	-	-	-
Termination of lease	16(b)	(17,776)	-	(7,717)	-
Exchange differences		(166,247)	121,431	(14,586)	11,226
Dividend income	29(d)	(6,020)	(22,417)	(725,400)	(601,904)
Finance income	31	(84,831)	(48,644)	(13,839)	(56,951)
Finance costs	32	1,227,629	1,275,461	360,997	361,982
Movement in employee benefit liabilities		(2,667)	(33,367)	(58,919)	(346,335)
Fair value movement on consumable biological assets	8	(10,443)	(1,199)	-	-
Fair value of investment properties	5	(120,470)	(20,502)	-	-
Expected credit losses - financial guarantee	28(b)	125,309	-	40,000	-
Expected credit losses - others	28(b)	33,916	284,716	14,152	335,422
Net general insurance fund		(49,175)	(88,294)	-	-
		2,533,109	3,064,889	(255,345)	(283,888)
<b>Working capital adjustments:</b>					
Movement in consumable biological assets		1,792	5,087	-	-
Movement in inventories		(736,995)	(292,430)	(226,645)	(87,437)
Movement in contract assets		(201,113)	109,931	-	-
Movement in trade and other receivables		541,906	558,711	(491,782)	277,147
Movement in gross outstanding claims		(23,655)	(151,053)	-	-
Movement in non-current loan receivables		(142,330)	126,138	(7,195)	(1,197,987)
Movement in trade and other payables		1,083,063	767,844	(200,694)	560,681
Movement in contract liabilities		122,023	162,548	15,737	-
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>					
Interest paid		(1,160,414)	(1,114,787)	(328,153)	(361,982)
Tax paid	26(a)	(220,787)	(461,793)	(1,624)	(378)
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>1,796,599</b>	<b>2,775,085</b>	<b>(1,495,701)</b>	<b>(1,093,844)</b>

The notes form an integral part of these financial statements.  
The Independent Auditor's report is on pages 164 to 173.

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>NET CASH FLOW GENERATED FROM/(USED IN)</b>					
<b>OPERATING ACTIVITIES</b>					
		1,796,599	2,775,085	(1,495,701)	(1,093,844)
<b>INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment, investment properties and intangible assets		520,648	176,634	1,418	1,056
Proceeds from sale of investments		306,824	338,982	3,500	1,213
Purchase of property, plant and equipment		(3,060,310)	(2,661,318)	(29,245)	(189,117)
Purchase of intangible assets		(107,198)	(105,322)	(1,377)	(8,971)
Acquisition of investments		-	(411,576)	-	(51,381)
Acquisition of investments in subsidiaries		-	-	(252,252)	-
Acquisition of investments in associates		(69,116)	-	-	-
Acquisition of investments in joint ventures		(16,602)	-	(16,602)	-
Acquisition of investments in other financial assets		(465,358)	-	-	-
Purchase of investment properties		(30,054)	(168,693)	-	-
Receipt of government grant		-	1,697	-	-
Share buyback by associate		-	48,991	-	-
Consideration paid to acquire subsidiaries	38(a)	(201,127)	(59,619)	(199,327)	-
Cash on acquisition of subsidiaries	38(a)	91,695	13,417	-	-
Consideration received on disposal of subsidiary	38(b)	276,984	-	-	-
Cash in subsidiary disposed of	38(b)	3,066	-	-	-
Dividend received		307,612	312,511	646,377	331,165
Interest received		84,831	48,644	13,839	56,951
<b>NET CASH FLOW (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>		<b>(2,358,105)</b>	<b>(2,465,652)</b>	<b>166,331</b>	<b>140,916</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from borrowings		8,272,635	6,608,762	3,084,594	4,000,000
Repayment of borrowings		(4,805,324)	(3,281,351)	(375,757)	(1,120,617)
Repayment of leases		(430,149)	(415,700)	(21,613)	(16,597)
Convertible bonds issued		744,083	-	-	-
Interests on convertible bonds		(4,963)	-	-	-
Shares issued to non-controlling shareholders		182,088	-	-	-
Dividend paid to non-controlling shareholders		(329,984)	(313,663)	-	-
Dividend paid to owners of the Company		(340,112)	(149,649)	(340,112)	(149,649)
<b>NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES</b>		<b>3,288,274</b>	<b>2,448,399</b>	<b>2,347,112</b>	<b>2,713,137</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,726,768</b>	<b>2,757,832</b>	<b>1,017,742</b>	<b>1,760,209</b>
<b>NET FOREIGN EXCHANGE DIFFERENCE</b>		<b>65,962</b>	<b>6,781</b>	<b>14,586</b>	<b>(11,226)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JULY</b>		<b>(401,500)</b>	<b>(3,166,113)</b>	<b>(1,913,226)</b>	<b>(3,662,209)</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		<b>2,391,230</b>	<b>(401,500)</b>	<b>(880,898)</b>	<b>(1,913,226)</b>
<b>Represented by:</b>					
Cash and cash equivalents		4,622,354	3,246,736	485,399	640,033
Bank overdrafts	22	(2,375,651)	(3,752,902)	(1,366,297)	(2,553,259)
Cash and cash equivalents attributable to discontinued operations	21	144,527	104,666	-	-
		2,391,230	(401,500)	(880,898)	(1,913,226)

The notes form an integral part of these financial statements.  
The Independent Auditor's report is on pages 164 to 173.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 1. CORPORATE INFORMATION

IBL Ltd (the "Company") is a public company incorporated in Mauritius and its main activities are that of investment holding and trading in consumables and healthcare products. Its registered office and principal place of business is situated on the 4<sup>th</sup> Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius.

IBL Ltd as a group (the "Group") has investments in subsidiaries, associates and joint ventures spanning over 9 clusters namely Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Hospitality and Services, Life and Technologies, Logistics, Seafood and Property. The Company is listed on the official market of the Stock Exchange of Mauritius and has a global presence in more than 20 countries.

### 2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

#### New and revised IFRSs applied on the financial statements

In the current year, the Group and the Company have applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that were relevant to the Group and the Company's operations and effective for accounting period beginning on 1 July 2020.

IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material
IAS 39	Financial Instruments: Recognition and Measurement – Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 3	Business Combinations – Amendments regarding definition of a business
IFRS 7	Financial Instruments: Disclosures – Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 9	Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 16	Leases – Amendments to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Group and the Company, its impact is described as below.

#### Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 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 practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic. The practical expedients include (i) the change in lease payments resulting in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change, (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021 and (iii) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedients to all rent concessions that meet the conditions for the practical expedients.

The other amendments are not expected to have a material impact on the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 2(A). APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

#### New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRS and IFRICs were in issue but not yet effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities as current and non-current (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates (effective 1 January 2023)
IAS 12	Income Taxes – Amendments regarding deferred tax related to Assets and Liabilities from a single Transaction (effective 1 January 2023)
IAS 16	Property, Plant and Equipment – Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use (effective 1 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous or loss making (effective 1 January 2022)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IAS 41	Agriculture – Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements) (effective 1 January 2022)
IFRS 3	Business Combinations – Amendments updating a reference to the Conceptual Framework (effective 1 January 2022)
IFRS 1	First-time Adoption of International Financial Reporting Standards – Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter) (effective 1 January 2022)
IFRS 4	Insurance Contracts – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 7	Financial Instruments: Disclosures – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments – Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)
IFRS 16	Leases – Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 16	Leases – Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 April 2021)
IFRS 17	Insurance Contracts – Original issue (effective 1 January 2023)
IFRS 17	Insurance Contracts – Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023) (effective 1 January 2023)

The Group is still assessing the potential impact of those standards and amendments to existing standards on its financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Conceptual framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group and the Company.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for:

- land and buildings which are carried at revalued amounts;
- investment properties which are carried at fair value;
- investments at FVTPL and FVOCI;
- biological assets except for bearer plants which are stated at fair value less estimated point of sale costs.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

#### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

#### (c) Business combinations

##### *Acquisition method*

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, (at the date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Contingent consideration that is classified as an asset or liability is remeasured at subsequently reporting dates in accordance with IFRS 9 Financial Instruments, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss in accordance with IFRS 9. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Business combinations (Continued)*Acquisition method (Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net if the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. 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 the results in the non-controlling interests have a deficit balance.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

*Business combination under common control*

A business combination involving entities or businesses in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination is considered as business combination under common control.

In case of any acquisitions which meet the criteria of business combinations under common control the assets and liabilities are recorded at their previous carrying values and the difference between the purchase consideration and share of net assets transferred are accounted for as an adjustment to equity as common control reserve in the retained earnings.

(d) Investment in subsidiaries

Under IFRS 9, investment in subsidiaries are classified as financial assets at FVTOCI and are carried at fair value. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves.

(e) Investment in associates

Associates are entities in which the Company or the Group has significant influence but which are neither a subsidiary nor a joint venture of the Company or the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

*Financial statements of the Company*

Under IFRS 9, investment in associates are classified as financial assets at FVTOCI and are carried at fair value. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves.

*Financial statements of the Group*

The policy for the equity method of accounting described below is specific to the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Investment in associates (Continued)*Equity method of accounting*

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are initially carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associates and joint ventures, less any impairment in the value of individual investments. Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date of equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Where a group entity transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

The accounting policies of the associates and joint ventures are in line with those used by the Group. Refer to Note 2(B)(v) for the accounting policy for investment in joint ventures.

(f) Foreign currency translation*Functional and presentation currency*

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the presentation currency for the consolidated financial statements.

*Transactions and balances*

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency translation (Continued)*Group companies*

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising from translation of the foreign operations are recognised in other comprehensive income and accumulated in equity (Group's translation reserve) and attributed to non-controlling interests as appropriate.

In relation to one of the subsidiaries of the Group, differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity are not taken to profit or loss. These are taken to other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in other comprehensive income.

On the disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of the associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

(g) Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity (1 to 4 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

Any revaluation surplus is credited in other comprehensive income and accumulated in equity to the property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss to the extent of the decrease previously charged. A revaluation deficit is recognised in profit or loss, to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

An annual transfer from the property revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets' original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

On the subsequent sale or retirement of a revalued property, the revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line method to write off the cost of assets, or the revalued amounts, to their estimated residual values over their estimated useful life as follows:

Buildings	-	1% - 10% p.a.
Plant and equipment	-	1% - 33.3% p.a.
Motor vehicles	-	6.7% - 25% p.a.
Office furniture and equipment	-	5% - 33.3% p.a.
Computer and security equipment	-	14.3% - 50% p.a.
Containers	-	10% - 20% p.a.

Land and assets in progress are not depreciated.

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

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are recognised in profit or loss in the year of retirement or disposal.

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

(i) Intangible assets*(i) Goodwill*

Goodwill arising in a business combination is recognised as an asset at cost as established at the date that control is acquired (the acquisition date) less any accumulated impairment losses, if any. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (Continued)(i) *Goodwill (Continued)*

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the related amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in Note 2B(e) and Note 2B(v) respectively.

(ii) *Other intangible assets*

Other intangible assets include trademarks, leasehold rights, computer software and land conversion rights. Intangible assets acquired separately are measured on initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are recognised as expenses in the period in which they are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets excluding leasehold rights are amortised over a period of 2 to 10 years. Leasehold rights are amortised over the period of the leases.

Land conversion rights are in relation to the reform of the Sugar Industry in the years 2000, which necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. To assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCA) based on the qualifying costs incurred by an entity. An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. When the LCR relates to capital expenditure, the related grant is recognised as a deferred income in non-current liabilities and is released on a straight-line basis over the expected useful life of the related asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised.

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Impairment of non-financial assets excluding goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) 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 and Company 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 the accounting policies in section 2B(r) Revenue from contracts with customers.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Financial instruments (Continued)*(i) *Financial assets (Continued)**Initial recognition and measurement (Continued)*

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Financial instruments (Continued)*(i) *Financial assets (Continued)**Subsequent measurement (Continued)**Amortised cost and effective interest method (Continued)*

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 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.

*Financial assets at fair value through OCI (debt instruments)*

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

*Financial assets designated at fair value through OCI (equity instruments)*

On initial recognition, the entity may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are shown in the 'Dividend income' line item in profit or loss.

The Group and the Company have designated its investments in equity instruments that are not held for trading at FVTOCI on initial application of IFRS 9.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (k) Financial instruments (Continued)

## (i) Financial Assets (Continued)

*Subsequent measurement (Continued)**Financial assets at fair value through profit or loss*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the entity designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition;
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Group and the Company have not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in manner described in Note 2(B)(aa).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

*Derivatives financial instruments*

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives including separated embedded derivatives, are classified as held for trading unless they are designated as effective hedging instruments.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (k) Financial instruments (Continued)

## (i) Financial Assets (Continued)

*Subsequent measurement (Continued)**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;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investment revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

*Impairment of financial assets*

The Group and the Company recognise 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 and the Company apply 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. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For corporate bonds and loans, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to 12-month ECL.

For all the other financial instruments, the Group and the Company recognise 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.

## (i) Significant increase in credit risk

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 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Financial instruments (Continued)*(i) *Financial Assets (Continued)*

## (ii) Definition of default

The Group and the Company consider a trade receivable to be in default when contractual payments are past due for a period ranging from 90 to 360 days depending on the business environment in which each entity operates. 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.

## (iii) 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 and the Company's recovery procedures. Any recoveries made are recognised in profit or loss.

## (iv) Recognition of expected credit losses

The Group and the Company recognise 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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(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, lease liabilities and derivative financial instruments.

*Subsequent measurement*

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

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) *Financial instruments (Continued)*(ii) *Financial Liabilities (Continued)**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. For more information, refer to Note 22.

(iii) *Derecognition of financial assets and financial liabilities**Derecognition of financial assets*

The Group and the Company derecognise 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) *Client monies*

The term "client money" is used to describe a variety of arrangement in which the Group holds funds on behalf of clients. Client money should be recognised as an asset, and an associated liability, if the general definition of an asset as per the Conceptual Framework for Financial Reporting is met. The Conceptual Framework for Financial Reporting defines an asset as "a present economic resource controlled by the entity as a result of past events", with an economic resource being defined as "a right that has the potential to produce economic benefits". If both conditions apply, the client money should be recognised as an asset of the reporting entity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits or deposits with an original maturity of three months or less net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory. Purchase cost is calculated on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

· Land & Buildings	7 to 60 years
· Plant and equipment	5 to 10 years
· Motor vehicles	5 to 7 years
· Office furniture and computer equipment	1 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right of use assets are also subject to impairment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Leases (Continued)*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing loans and borrowings (see note 22).

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*The Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(p) 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.

*Deferred tax*

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

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, tax losses carried forward and on retirement benefit obligations.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation (Continued)*Deferred tax (Continued)*

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recorded if the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

*Corporate Social Responsibility ("CSR")*

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

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

*Value added tax ("VAT")*

The Group and the Company are subject to a value added tax ("VAT") of 15%. The amount of "VAT" liability is determined by applying the applicable tax rate to the invoiced amount provided (output "VAT") less "VAT" paid on purchases made with the relevant supporting invoices (input "VAT"). The Group and the Company reports revenue net of value added tax for all the periods presented in the consolidated statements of operations and comprehensive loss.

(q) Employee benefit and related liabilities*Defined contribution schemes*

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

*Defined benefit schemes*

Actuarial valuations are carried out at each reporting date. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefit and related liabilities (Continued)*Defined benefit schemes (Continued)*

The Group presents the first two components of defined benefit costs in profit or loss in the line item administrative expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

*Other retirement benefits*

The present value of other retirement benefits as provided under The Worker's Rights Act 2019 is recognised in the statement of financial position as a non-current liability and is not funded. The recognition and presentation of the components of the retirement gratuities are similar to the defined benefit plan (as above).

*State plan*

Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

(r) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the entity expects to be entitled in exchange for transferring promised goods or services to a customer, net of taxes, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. Revenue recognised are net of Value Added Taxes and other taxes.

The Group and the Company recognise revenue from the following major sources:

***Building and Engineering***

- Revenue from construction of hotels as well as mechanical, electrical and plumbing (MEP)
- Revenue interior design including manufacture and sale of furniture
- Supply and installation of air conditioners and elevators
- Supply and installation of heavy machineries and generators
- Sale of parts for electro diesel and hydraulic equipment
- Sale of agrochemical products, detergents and fire-retardant products
- Supply and installation of irrigation equipment
- Sale of electrical accessories, parts, power tools, furniture and water pumps
- Rental of handling equipment
- Servicing and maintenance services including after sales service
- Construction and repairs of ships and sale of related parts

The Group has mid to long term contracts with customers in relation to revenue from construction and MEP contracts, interior design, manufacture and sale of furniture including installation of air conditioners and elevators as well as repairs of ships. Construction contracts involving engineering services comprise multiple deliverables which are highly integrated and are therefore recognised as a single performance obligation. Under the terms of these contracts, the Group creates or enhances the assets that the customer controls and has an enforceable right to payment for work done.

Revenues from these contracts are therefore recognised over time on an input method, i.e., based on cost incurred to date (excluding costs incurred but do not depict the progress towards completion), Management consider this method to be an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue recognition (Continued)

**Building and Engineering (Continued)**

The Group becomes entitled to invoice customers for the above based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third-party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the input cost method, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the input method and the milestone payment is always less than one year. Advance received are included in contract liabilities.

Sale of equipment, parts and other products are made directly to customers and revenue is recognised by the Group at a point in time when control of the goods has been transferred to the customers, i.e. delivered and accepted by the customers. Where installation service is not considered to be perfunctory to the sale of the equipment, a separate performance obligation is identified for the installation service and the Group allocate the transaction price based on the relative stand-alone selling prices of the equipment and installation services. Revenue is recognised upon completion of installation.

Revenue from maintenance, repairs and after sale service contracts are considered as distinct services and are invoiced separately for each service provided. Revenue from these are recognised over time when the services have been provided.

Receivables are recognised by the Group when the goods and services are delivered to the customers as this represent the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Warranty given on equipment are assurance type warranties and are accounted in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. There is no right of return on sale of goods and revenue is recognised net of any discounts granted.

**Commercial and Distribution**

- Processing and sale of beverages (predominantly for local sale)
- Sale of fast-moving consumer products (wholesale)
- Sale of fast-moving consumer products (operate chain of supermarkets)
- Sale of pharmaceutical products and equipment (wholesale and export)
- Sale of pharmaceutical products (operate chain of pharmacies)
- Sale of printing equipment and related consumables

Revenue is recognised when control of the goods has been transferred, being when the products are delivered and accepted by the customers i.e. at a point in time. For wholesale, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). In certain cases, revenue is recognised when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has primary responsibility when onselling the goods and bears all the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the selling price net of the estimate volume discounts. The estimate for volume discount is based on the most likely amount method.

There is right of return policy on the sale of goods. Warranty granted on the equipment are assurance type warranty and are accounted in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue recognition (Continued)

**Commercial and Distribution (Continued)**

The Group and the Company have trade agreements with some of its customers where cash payments are made to them in order to have their products prominently displayed (slotting fees) and for co-operative advertising (advertising by the customers of the Company's products). The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.

**Logistics**

- Revenue from shipping and aviation services
- Revenue from warehousing and related services
- Freight forwarding and custom clearing service
- Transport services – transport of cargo and passengers
- Travel related services – corporate and leisure

Revenue for providing these services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

For some contract relating to freight forwarding and transport services, the Group has determined whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. it is acting as a principal) or to arrange for those services to be provided by other party (i.e. it is acting as an agent). Main factors considered are control over fulfilling the promise to provide the specified service and discretion over establishing the pricing. The revenue contracts in relation to freight forwarding include factors indicating that the Group acts as either principal or agent depending on nature of promise and revenue has been recognised as either gross or net wherever applicable. With respect to transport services for passengers, the Group has determined that it is acting as principal and revenue has been recognised as gross.

**Seafood**

- Manufacturing and sale of seafood and associated products (predominantly for export)
- Handling and storage of seafood products
- Manufacturing and sale of consumer goods

Revenue is recognised when control of the goods has been transferred, being when the products are delivered and accepted by the customers i.e. at a point in time. The customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has primary responsibility when selling the goods and bears all the risks of obsolescence and loss in relation to the goods.

Revenue from providing handling services for seafood products is recognised in the period in which the services are rendered.

A receivable is recognised when the goods and services are delivered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the selling price net of the estimate volume discounts. The estimate for volume discount is based on the most likely amount method.

There is no right of return policy on the sale of goods.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (r) Revenue recognition (Continued)

**Financial Services**

- Management services to local corporates and global business (include secretarial, human resource, information technology and other related services)
- Treasury management and related services
- Income from insurance contracts and insurance premiums

Revenue for providing these services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

Revenue arising from insurance contracts falls under IFRS 4. Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Gross premiums (including the marine business) on general business are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund based on the 1/24<sup>th</sup> method. Premiums are shown gross of commission.

**Property**

- Rental income and related services
- Property development and management services

Rental income from utilisation of investment properties are recognised on straight line basis over the tenure of the lease.

Revenue from property management services is recognised in the period in which the services are rendered. Each service is considered as distinct and represent a performance obligation and price for each service are agreed with customers and defined in respective contracts.

A receivable is recognised when the services are rendered, as this represents the point in time at which the right to consideration becomes unconditional, because only passage of time is required before payment is due.

**Hospitality and Services**

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The main streams of revenue are as follows:

- Room revenue is recognised when performance obligation performed, i.e. once the guests check-in at the hotel premises. Revenue is recognised daily.
- Food & Beverages revenue is generated from packaged sales (e.g. half boards, full boards or All-inclusive) or through direct sales at the restaurants or bars. Packaged sales are recognised as revenue daily when it is probable that the future economic benefits will flow to the entity and those benefits can be measured reliably, i.e. upon consumption.
- Revenue recognised in other operating departments include the provision of services such as laundry, spa and boutique sales. The Group acts as an agent from time to time (e.g. for diving, big game fishing, horse riding, etc.). In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result on increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead revenue is the amount of commission.
- Management fees are recognised on an accrual basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (r) Revenue recognition (Continued)

**Life and Technologies**

Revenue can be segregated in 2 parts:

- Revenue from cosmetics trials; and
- Revenue from pharmaceutical trials.

Cosmetics trials have been divided into 3 classes following their deliverables:

- 1) Sun Protection Factor (SPF) trials – The SPF trials are studies that last for 1-day to 1-week. There is only 1 deliverable for such trials which is sending of results to clients. Hence, revenue will be recognized at the end of the trials.
- 2) Standard trials – The standard trials are studies that last for 1-week to 1-month. There are 2 key deliverables for such trials which are signature of protocol and sending of report. Hence, revenue will be recognized when the protocol is signed and when the report is sent to the clients.
- 3) Long-term trials – The long-term trials are studies that last for 1-month or more. For such studies the deliverables are mentioned in the quotation. Below is an illustration of the deliverable for a long-term study:
  - Reception of Purchase Order – 25% of Study Cost
  - Inclusion of all subjects – 25% of Study Cost
  - Last visit of the last subject – 40% of Study Cost
  - Final report – 10% of Study Cost

Hence, revenue will be recognized as and when the above milestones are achieved.

Pharma trials are long-term studies that last for 1-year to 5-years. The study quotation is divided in 2 parts:

- Conduct of study costs (Clinical Monitoring/Site Management & Quality Assurance units)
- Pass-Through Costs incurred

For Pharma trials the revenue of the conduct of study is recognized on an equal monthly basis over a specified time period since the tasks are repetitive.

**Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies of financial assets in section 2B(k)(i).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Biological assets(i) *Bearer biological assets*

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

(ii) *Consumable biological assets*

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

(t) Related parties

Related parties include individuals and companies where the individual or company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Affiliates are related parties of the Company which cannot be considered as parent or subsidiary as defined by IAS 27, as associate and joint venture as defined by IAS 28, or as key management personnel as defined by IAS 24.

(u) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(v) Interest in joint ventures

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. In the Company's separate financial statements, interests in joint ventures is classified as a financial asset at FVTOCI and are carried at fair value. The gains and losses in fair value are recognised in other comprehensive income and accumulated under the heading of fair value reserves.

At Group level, the fair value accumulated in fair value reserves is reversed and the Group recognises its interest in the joint venture using the equity method. Under the equity method, the interest in joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Interest in joint ventures (Continued)

The statement of profit or loss and other comprehensive income reflect the share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(w) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(x) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group currently has only cash flow hedges which are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(y) Share based payment**

Executives of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

**(z) Government grants**

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.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

*Government Wage Assistance scheme (commonly referred to as COVID-19 levy payable)*

The Group and the Company applied for the Government Wage Assistance Scheme ('WAS') during the year due. 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 relate. A COVID-19 levy arises in the current year (and possibly in future periods should the entity achieve chargeable income) and is recognised as a levy payable to the tax authorities.

**(aa) Fair value measurement**

The Group and the Company measure 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 by the Group and the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(aa) Fair value measurement (Continued)**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group and the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(ab) Comparative figures**

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

**(ac) General insurance fund**

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on 1/24<sup>th</sup> method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is transferred to or released to the General Insurance Fund. The provision is derecognised when the contract expires, is discharged or cancelled.

**(ad) Outstanding claims**

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis and represents an estimate of the ultimate cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

**(ae) Salvage and subrogation reimbursements**

Some insurance contracts permit the Company to sell property acquired in settling a claim (i.e. Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e. subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

**(af) Liability adequacy**

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows (including claims handling and related costs), taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (ag) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

#### (ah) Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

#### (ai) WIIV Loyalty Programme

The Group has a customer loyalty programme whereby customers are awarded with reward credits (loyalty points) which are effectively used as cash back against future purchases. Loyalty points granted to customers participating in the loyalty programme provide rights to customers that need to be accounted for as a separate performance obligation.

The fair value of the consideration received under loyalty programme is allocated between the sale of goods supplied and the loyalty points granted. The consideration allocated to the loyalty points is measured by reference to their relative stand-alone selling price which is calculated as the amount for which the loyalty points could be separately sold, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the sales transaction but is recognised as a deferred revenue liability until the loyalty points have been redeemed or forfeited. The likelihood of redemption, based on management's judgment of expected redemption rates, is reviewed on a regular basis and any adjustments to the deferred revenue liability is recognised in turnover.

#### (aj) Convertible bonds

A policy choice is available for the treatment of the convertible bonds, that is, the Group can either treat the convertible bonds as equity or compound financial instrument with an embedded derivative. The Directors have opted to treat the convertible bonds as equity where both the principal and interest components has been classified as equity on initial recognition based on the subscription proceeds received, net of transaction costs, and is not subsequently remeasured.

#### (ak) Commercial income

The Group enters into various agreements with suppliers and these agreements provide for various purchase rebates and other income.

Taking into account cumulative purchases of inventory to date, as well as historical and forecasted performance, management uses judgement to estimate the probability of meeting contractual obligations and thereby uses judgement in determining the amount of volume-related rebates recognized. As a result, the rebates received may vary from that which has been accrued.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires the Directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

#### *Judgements*

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Going concern assessment

The Company is the holding company of subsidiaries, associates and joint ventures spanning over 9 clusters namely Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Hospitality and Services, Life and Technologies, Logistics, Property and Seafood.

Directors have made an assessment of the Company's ability to continue as a going concern. At 30 June 2021, the Group and the Company had net current assets of Rs 1,950 million (2020: net current liabilities of Rs 2,606 million) and Rs 263 million (2020: net current liabilities of Rs 2,012 million) respectively, assisted by the issuance of Rs 3 billion of bonds during the year, and had made a profit before tax of Rs 293 million (2020: loss of Rs 1,199 million) and Rs 43 million (2020: loss of Rs 84 million) respectively for the year ended 30 June 2021.

When making that assessment, the Directors have taken into consideration the existing and longer term effects of the pandemic on the Group's and the Company's activities and their ability to post profitable results and positive cashflows in the year ending 30 June 2022.

The Company comprises 3 main departments, the corporate cluster, BrandActiv and HealthActiv. The corporate cluster contain head office activities and drives strategic initiatives. Its main sources of income are from dividends from group entities and management income. BrandActiv is a distributor of foodstuff whilst HealthActiv operates in the healthcare sector.

The activities of HealthActiv and BrandActiv were resilient during the lockdown and have performed well post lockdown. Both operations are mature businesses and are key players in their sectors and are expected to remain profitable and contribute positive cashflows to the Company in the forthcoming two financial years.

Entities within the Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Life and Technologies, Property and Seafood are expected to be profitable and provide dividend income to the Company for the year ending 30 June 2022.

The COVID-19 pandemic and the resulting border restrictions that have been imposed by many governments across the world has impacted the logistics cluster to some extent. The Directors believe that the subsidiaries within this cluster will not require support from the Company and are expected to generate profits by 2022 given planned cost reduction initiatives and the reopening of borders.

The key risks within the Group is therefore on the hospitality and services cluster and the property cluster, comprising mainly hotels and the property development entities.

The management of both Lux Island Resorts ('LIR') and BlueLife Ltd ('BLI') has availed themselves of all possible forms of assistance in order to mitigate the risks associated with the loan liabilities, including: agreed loan moratoriums with the banks, wage assistance schemes from the government, various austerity measures to keep costs to a minimum during the crisis, selling of non-core assets and the possibility of availing themselves of a government-devised economic stress relief fund, which they have been successful in negotiating post year end with the Mauritius Investment Corporation Ltd ('MIC'). LIR has negotiated Rs 920 million funding from the MIC and Rs 740 million has been disbursed in the current year and the remaining Rs 170 million is expected by November 2021.

The Board will assess future investment opportunities and dividend distribution in light of its cashflow situation and forecasts.

The Directors are therefore satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Hence, the financial statements continue to be prepared on the going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### *Judgements (Continued)*

##### Assets held for sale and discontinued operations

The Group has classified several assets as held for sale and discontinued operations since they meet the criteria to be classified as held for sale at that date for the following reasons:

- The assets are available for immediate sale and can be sold to the buyer in its current condition;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification, except for bare land of Circle Square Holding Co Ltd ('CSHL') and Manser Saxon Dubai ('MSD'), which have been classified as held for sale since 30 June 2018 and 30 June 2020 respectively. However, the sale is being delayed beyond the Group's control. A potential buyer has already been identified and the Group is still committed to sell;
- Potential buyers have been identified and negotiations as at the reporting date are at an advance stage;
- The plans to sell have already been approved.

The Group considers that CSHL and MSD still meet the definition of held for sale as the Group is still committed to sell its stake in it. The delay being caused are beyond the Group's control. For more details on the assets held for sale and discontinued operations, refer to note 21.

##### Leases

##### *Determining the lease term of contracts with renewal and termination options – Group as lessee*

The Group determines the lease term as the 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 has several lease contracts that include extension and termination options. 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 that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (12 months). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to Note 16 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

##### *Property lease classification – Group as lessor*

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases. Refer to Note 16 for more details.

##### Determination of functional currency of the group entities

As described in Note 2(B)(f), the determination of the functional currency of each group entity is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the Directors and management have considered the currencies in which revenue is received, the currency of the country whose competitive forces and regulations matter, the currencies in which labour, material and other costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The Directors and management have determined that the functional currency of the Company as well as that of most subsidiaries is the Mauritian rupee, except for the foreign subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### *Estimates and assumptions (Continued)*

##### Classification as subsidiaries

The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries. The remaining ownership interests of these entities, where most of them are listed on the Stock Exchange of Mauritius, are held by several widely dispersed shareholders not related to the Group. The Directors and management have assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities. Refer to Note 11 for more details.

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. After assessment, the Directors and management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

With respect to one of the subsidiaries where the Company has less than 50% shareholding and thus voting rights, based on the contractual arrangements between the Company and the other investors, the Company has the power to appoint and remove the majority of the Board of Directors that has the power to direct the relevant activities of the entity. Therefore, the Directors and management concluded that the Company has the practical ability to direct the relevant activities and thus has control over the entity. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### Impairment of assets

In relation to Note 4, assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

##### Impairment of goodwill

As described in Note 6, the Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the 'value-in-use' of the cash generating units to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### Deferred tax assets

In relation to Note 7 in the notes to the financial statement, deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Directors have made an assessment and believe that the deferred tax assets are recoverable.

##### Employee benefit liabilities

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The Directors believe that the future salary increase is appropriate in the current situation, in particular with the economic uncertainty of the COVID-19 pandemic. Also, the actuarial specialists believe that the bonds issued on the primary market and the secondary market is appropriate to determine the discount rates for the Group's defined benefits pension plan.

The mortality rate is based on publicly available mortality tables and will change only at intervals in response to demographic changes. Detailed descriptions are available in Note 24.

##### Property, plant and equipment: estimations of the useful lives and residual value of the assets

In relation to Note 4, the Group makes significant estimates to determine the useful lives and residual value of its property, plant and equipment. Management will revise the depreciation charge where useful lives are different to previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### *Estimates and assumptions (Continued)*

##### Property valuation

The Group measures land and buildings and investment properties at fair value based on periodic valuations by external independent valuers and as estimated by the Directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the Directors and management consider they have used their best estimates to arrive at fair value of the properties. Reference is made to Notes 4 and 5 in the notes to the financial statements.

##### Valuation of biological assets

In relation to Note 8 in the notes to the financial statements, the fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. Standing cane and plants valuation has been arrived based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value:

The actual results could differ from the related accounting estimates and the Directors and management consider they have used their best estimates to arrive at the value of the biological assets.

##### Fair value of unquoted investments

Where there is no active market, the fair values of unquoted investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets. Refer to Notes 11, 12 and 13 in the notes to the financial statements for the corresponding fair values as at 30 June 2021.

##### Variable consideration for sales returns

In relation to Note 29 in the notes to the financial statements, the Group estimates variable considerations to be included in the transaction price for sale with rights of return and volume rebates. The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

##### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to Note 2(B) – Financial assets). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and how the risks affecting the performance are managed. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate.

##### Provision for expected credit losses

###### *Credit risk*

For loans and advances given to customers, the Group and the Company assess the credit risk based on the current liquidity position of its customers by considering the availability of financial inputs. Refer to Note 18 for a detailed depiction of the credit risk assessment in relation to trade receivables.

###### *Loss allowance on trade receivables*

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns as disclosed in Note 18. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Refer to Note 18 for more details.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### *Estimates and assumptions (Continued)*

##### Provision for expected credit losses (Continued)

###### *Loss allowance on other financial assets at amortised cost*

In relation to ECLs for financial assets at amortised cost provided in Note 14, the Group determines credit rating of the corporate bonds and deposits to determine their probability of default by reference to the country rating. The Group also determines that there has been no significant increase in credit risk since initial recognition of the instruments since these assets are held with reputable banking institutions and listed entities and there has been no history of event of default.

###### *Loss allowance on loans and advances to related parties*

In relation to the Company's loans and advances receivable from related parties, these are mainly repayable on demand and where the related companies do not have unrestricted cash at reporting date to repay the debts, management has determined expected credit losses based on future cash flows on the basis that the entities will continue to operate. The main assumption used in determining the cash flows is the discount rate and growth rate and any change in the assumption will change the estimated credit loss. The key assumptions are provided in Note 17.

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

##### Insurance contracts

The uncertainty inherent in Notes 9, 10(a) and 37(b) of the financial statements arise mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

These estimates are described below.

The estimation of the ultimate liability arising from the claims made under insurance contracts is one of the Group's most important accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the reporting date. The Group uses a range of actuarial methodologies to estimate these provisions. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### *Estimates and assumptions (Continued)*

##### Recoverable amount on insurance and other receivables

In preparing those consolidated financial statements, the Directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involves an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group.

##### 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 in Note 16. 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).

##### Points earned under the WIIV loyalty programme

The WIIV rewards programme is a multi-partner programme developed by the Group. The monetary value assigned to the loyalty points which are earned and redeemed by customers under the WIIV loyalty programme is pre-determined by the Group. Given that the points which have been earned by customers under the WIIV loyalty programme expire after one year, the Group considers breakage which represents the portion of the points issued that will never be redeemed.

The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated yearly and the liability for the unredeemed points is adjusted accordingly. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. As at 30 June 2021, the estimated liability for unredeemed points was Rs 15,736,831 (2020: Rs 19,116,848) and is included in Note 25 of the financial statements.

##### MIC - Convertible bonds

During the financial year ended 30 June 2021, the Group has contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius to issue redeemable convertible bonds. A policy choice is available for the treatment of the convertible bonds, that is, the Group and the Company can either treat the convertible bonds as equity or compound financial instrument with an embedded derivative. The Directors have applied judgement in evaluating the options available and have opted to treat the convertible bonds as equity. Please refer to Note 20(c) for further details.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>COST/VALUATION</b>								
At 1 July 2019	21,073,165	11,107,385	1,086,826	2,680,081	809,054	1,149,279	344,627	38,250,417
Transfer to right of use assets (Note 16)	(1,410)	(196,511)	(259,009)	(6,357)	(21,878)	-	-	(485,165)
Additions	833,192	574,672	71,824	173,095	52,504	97,395	858,636	2,661,318
Disposals	(5,306)	(82,176)	(61,462)	(63,318)	(12,924)	(122)	-	(225,308)
Write offs	(218,668)	(49,573)	(8,252)	(4,917)	(8,458)	(930,737)	-	(1,220,605)
Revaluation adjustments	432,091	-	-	-	-	-	-	432,091
Transfer from investment properties (Notes (ii) and 5)	23,328	-	-	-	-	-	-	23,328
Transfer to intangible assets (Note 6)	-	-	-	-	(400)	-	-	(400)
Transfer from inventories	-	4,587	-	-	-	-	-	4,587
Transfer from/(to) assets in progress	41,499	(8,185)	-	43,974	-	5,115	(82,403)	-
Transfer to assets classified as held for sale (Note 21)	(327,950)	(8,838)	-	(8,223)	(13,868)	-	-	(358,879)
Reclassification (Note (i))	49,668	(34,611)	2,189	(17,114)	(132)	-	-	-
Acquisition of subsidiaries (Note 38(a))	-	487	-	-	-	-	-	487
Exchange differences	751,046	262,913	7,809	52,576	15,044	-	9,871	1,099,259
<b>At 30 June 2020</b>	<b>22,650,655</b>	<b>11,570,150</b>	<b>839,925</b>	<b>2,849,797</b>	<b>818,942</b>	<b>320,930</b>	<b>1,130,731</b>	<b>40,181,130</b>
At 1 July 2020	<b>22,650,655</b>	<b>11,570,150</b>	<b>839,925</b>	<b>2,849,797</b>	<b>818,942</b>	<b>320,930</b>	<b>1,130,731</b>	<b>40,181,130</b>
Transfer from/(to) right of use assets (Notes (iii) and 16)	-	3,539	(9,227)	-	-	-	-	(5,688)
Additions	231,595	434,986	39,449	208,255	57,107	74,710	2,010,078	3,056,180
Disposals	(10,851)	(240,882)	(104,997)	(81,696)	(69,109)	-	-	(507,535)
Write offs	(48,251)	(246,484)	(3,926)	(43,830)	(10,136)	-	-	(352,627)
Impairment of assets (Notes (iv) and 33)	(3,139)	(10,110)	-	-	-	-	-	(13,249)
Revaluation adjustments	350,733	88,746	-	-	-	-	-	439,479
Transfer (to)/from investment properties (Note 5)	(458,307)	(5,870)	-	9,294	-	-	-	(454,883)
Transfer from intangible assets (Note 6)	-	-	-	-	110	-	-	110
Transfer from inventories	-	1,661	-	-	-	-	-	1,661
Transfer from/(to) assets in progress	52,244	181,290	-	6,200	674	-	(240,408)	-
Transfer to assets classified as held for sale (Note 21)	(597,563)	(403,174)	(5,546)	(15,030)	(6,831)	-	-	(1,028,144)
Reclassification (Note (i))	(322,263)	369,008	(6,540)	(53,312)	13,107	-	-	-
Acquisition of subsidiaries (Note 38(a))	-	3,357	-	375	234	-	-	3,966
Disposal of subsidiaries (Note 38(b))	-	(41,638)	(109)	(16,756)	(7,981)	-	-	(66,484)
Exchange differences	702,337	252,110	11,898	42,862	17,082	-	8,595	1,034,884
<b>At 30 June 2021</b>	<b>22,547,190</b>	<b>11,956,689</b>	<b>760,927</b>	<b>2,906,159</b>	<b>813,199</b>	<b>395,640</b>	<b>2,908,996</b>	<b>42,288,800</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<b>THE GROUP</b>	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Containers	Assets in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>DEPRECIATION AND IMPAIRMENT</b>								
At 1 July 2019	1,076,235	7,004,207	663,991	1,506,593	594,904	1,000,890	-	11,846,820
Transfer to right of use assets (Note 16)	(45)	(58,978)	(116,436)	(544)	(8,644)	-	-	(184,647)
Charge for the year	476,053	653,889	68,967	262,956	89,979	69,900	-	1,621,744
Disposals	(4,393)	(72,394)	(52,077)	(59,888)	(10,634)	(122)	-	(199,508)
Write offs	(69,672)	(48,381)	(3,682)	(4,773)	(7,458)	(930,737)	-	(1,064,703)
Revaluation adjustments	(473,302)	-	-	-	-	-	-	(473,302)
Transfer to intangible assets (Note 6)	-	-	-	-	(99)	-	-	(99)
Transfer - assets classified as held for sale (Note 21)	(35,117)	(2,776)	-	(896)	(1,695)	-	-	(40,484)
Reclassification (Note (i))	-	(13)	-	13	-	-	-	-
Exchange differences	148,097	134,161	8,481	24,369	10,853	(6,255)	-	319,706
<b>At 30 June 2020</b>	<b>1,117,856</b>	<b>7,609,715</b>	<b>569,244</b>	<b>1,727,830</b>	<b>667,206</b>	<b>133,676</b>	<b>-</b>	<b>11,825,527</b>
At 1 July 2020	<b>1,117,856</b>	<b>7,609,715</b>	<b>569,244</b>	<b>1,727,830</b>	<b>667,206</b>	<b>133,676</b>	<b>-</b>	<b>11,825,527</b>
Charge for the year	<b>484,827</b>	<b>662,343</b>	<b>57,053</b>	<b>269,425</b>	<b>79,638</b>	<b>62,734</b>	<b>-</b>	<b>1,616,020</b>
Disposals	<b>(2,615)</b>	<b>(224,743)</b>	<b>(98,299)</b>	<b>(77,718)</b>	<b>(6,043)</b>	<b>(61,683)</b>	<b>-</b>	<b>(471,101)</b>
Write offs	<b>(48,452)</b>	<b>(276,093)</b>	<b>(1,870)</b>	<b>(596)</b>	<b>(10,022)</b>	<b>-</b>	<b>-</b>	<b>(337,033)</b>
Revaluation adjustments	<b>(146,285)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(146,285)</b>
Transfer from intangible assets (Note 6)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>110</b>
Transfer to assets classified as held for sale (Note 21)	<b>(68,184)</b>	<b>(194,893)</b>	<b>(5,427)</b>	<b>(14,562)</b>	<b>(4,077)</b>	<b>-</b>	<b>-</b>	<b>(287,143)</b>
Reclassification (Note (i))	<b>(61,393)</b>	<b>63,244</b>	<b>(4,536)</b>	<b>(2,230)</b>	<b>4,915</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposal of subsidiaries (Note 38(b))	<b>-</b>	<b>(10,658)</b>	<b>(109)</b>	<b>(4,068)</b>	<b>(2,456)</b>	<b>-</b>	<b>-</b>	<b>(17,291)</b>
Transfer from/(to) investment properties (Note 5)	<b>(41,659)</b>	<b>(2,498)</b>	<b>-</b>	<b>10,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,779)</b>
Exchange differences	<b>160,770</b>	<b>153,647</b>	<b>10,727</b>	<b>25,679</b>	<b>16,181</b>	<b>-</b>	<b>-</b>	<b>367,004</b>
<b>At 30 June 2021</b>	<b>1,394,865</b>	<b>7,780,064</b>	<b>526,783</b>	<b>1,934,138</b>	<b>745,452</b>	<b>134,727</b>	<b>-</b>	<b>12,516,029</b>
<b>NET BOOK VALUE</b>								
<b>At 30 June 2021</b>	<b>21,152,325</b>	<b>4,176,625</b>	<b>234,144</b>	<b>972,021</b>	<b>67,747</b>	<b>260,913</b>	<b>2,908,996</b>	<b>29,772,771</b>
At 30 June 2020	21,532,799	3,960,435	270,681	1,121,967	151,736	187,254	1,130,731	28,355,603

(i) The Directors have reviewed the classification of certain assets and as a result, reclassification adjustments were made between land and buildings, plant and equipment, motor vehicles, office furniture and equipment and computer and security equipment. This had no impact on the useful lives and residual values as initially estimated upon recognition.

(ii) In the prior year June 2020, BlueLife Limited had booked a prior year adjustment on buildings being rented to Haute Rive Azuri Hotel Ltd and Haute Rive PDS Company Ltd by Haute Rive Holdings Ltd, which are subsidiaries of BlueLife Limited. The buildings were classified under investment properties in the Group's financial statements. At Group level, the buildings are considered as 'owner occupied' and should have been reclassified to property, plant and equipment as per the requirements of IAS 40. Hence, the financials had been restated to incorporate this correction of error from investment property to plant, property and equipment.

(iii) During the year ended 30 June 2021, an item of plant and equipment which was previously taken on lease by one of the subsidiaries had reached its end of lease term. The ownership of the asset was then transferred to the subsidiary and its carrying amount of Rs 3.5 million was transferred from right of use assets to property, plant and equipment.

(iv) During the year ended 30 June 2021, an impairment loss of Rs 99 million was provided on land and buildings and plant and equipment due to prevailing market conditions. The recoverable amount of land and buildings and plant and equipment amounted to Rs 58 million and Rs 80 million respectively. The land and buildings have been transferred to asset held for sale during the year (refer to Note 21).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Land and buildings	Plant and equipment	Motor vehicles	Office furniture and equipment	Computer and security equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>COST/VALUATION</b>						
At 1 July 2019	404,854	67,371	63,901	191,002	71,367	798,495
Transfer to right of use assets (Note 16)	-	-	(20,434)	-	-	(20,434)
Additions	118,952	9,951	2,606	44,996	12,612	189,117
Disposals	-	(60)	(7,361)	(75)	(3,131)	(10,627)
Write offs	-	-	-	(2,177)	-	(2,177)
At 30 June 2020	523,806	77,262	38,712	233,746	80,848	954,374
At 1 July 2020	<b>523,806</b>	<b>77,262</b>	<b>38,712</b>	<b>233,746</b>	<b>80,848</b>	<b>954,374</b>
Additions	634	10,314	536	7,141	10,619	29,244
Disposals	-	-	(4,046)	(828)	(1,527)	(6,401)
Revaluation adjustments	349	-	-	-	-	349
Write offs	(48,077)	(3,998)	-	(4,416)	(9,455)	(65,946)
Reclassification	-	-	-	565	(565)	-
<b>At 30 June 2021</b>	<b>476,712</b>	<b>83,578</b>	<b>35,202</b>	<b>236,208</b>	<b>79,920</b>	<b>911,620</b>
<b>DEPRECIATION</b>						
At 1 July 2019	69,343	43,888	47,964	115,589	50,108	326,892
Transfer to right of use assets (Note 16)	-	-	(9,754)	-	-	(9,754)
Charge for the year	9,013	7,175	1,577	29,881	12,574	60,220
Disposals	-	(60)	(6,695)	(48)	(2,533)	(9,336)
Write offs	-	-	-	(2,177)	-	(2,177)
At 30 June 2020	78,356	51,003	33,092	143,245	60,149	365,845
At 1 July 2020	<b>78,356</b>	<b>51,003</b>	<b>33,092</b>	<b>143,245</b>	<b>60,149</b>	<b>365,845</b>
Charge for the year	9,418	8,670	1,565	30,866	11,816	62,335
Disposals	-	-	(3,995)	(519)	(1,305)	(5,819)
Revaluation adjustments	(31,377)	-	-	-	-	(31,377)
Write offs	(48,077)	(3,998)	-	(70)	(9,454)	(61,599)
<b>At 30 June 2021</b>	<b>8,320</b>	<b>55,675</b>	<b>30,662</b>	<b>173,522</b>	<b>61,206</b>	<b>329,385</b>
<b>NET BOOK VALUE</b>						
<b>At 30 June 2021</b>	<b>468,392</b>	<b>27,903</b>	<b>4,540</b>	<b>62,686</b>	<b>18,714</b>	<b>582,235</b>
At 30 June 2020	445,450	26,259	5,620	90,501	20,699	588,529

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Historical cost of revalued land and buildings:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cost	13,208,121	12,987,377	238,022	237,388
Accumulated depreciation	(3,899,109)	(3,637,344)	(64,700)	(59,939)
Net book value	9,309,012	9,350,033	173,322	177,449

The land and buildings were revalued by professional independent valuers. The fair value of land and buildings have been assessed on the basis of its market value, being the estimated amount for which the assets could be exchanged between market participants at measurement date in an orderly transaction and taking into account the current market conditions and similar transactions undertaken by the Group in recent years.

Some of the freehold land and buildings and buildings on leasehold land of the Group were revalued during the year at their open market value, by reference to recent market transactions on arm's length terms, by independent professional valuers namely Elevante Property Services Ltd, Noor Dilmahomed & Associates and Jones Lang LaSalle. The market comparison has been used as a basis of valuation.

Other freehold land of the Group valued by independent valuer Chateau Doger De Speville Ltd was by reference to market based evidence, that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The fair value of buildings was determined using the depreciated replacement cost approach, which reflects the value by computing the current cost of replacing the property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and economic obsolescence.

The Group's policy is to revalue its property every 1-4 years unless there is evidence that the fair value of the assets differs materially from the carrying amount.

The Directors considered the impact of COVID-19 on the recoverable amount of the plant and equipment. As at reporting date, the Directors concluded that the remaining useful lives and residual values remained unchanged.

(b) Borrowing costs capitalised during the year is Rs 12.9 million (2020: Rs 8.4 million).

The capitalisation rate of specific borrowing is 4.15%.

Borrowings are secured by fixed and floating charges on the property, plant and equipment of the Group and the Company.

(c) Details of the Group's and the Company's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

THE GROUP	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
<b>2021</b>				
Land and buildings	-	-	21,152,325	21,152,325
<b>2020</b>				
Land and buildings	-	-	21,532,799	21,532,799
<b>THE COMPANY</b>				
<b>2021</b>				
Land and buildings	-	-	468,392	468,392
<b>2020</b>				
Land and buildings	-	-	445,450	445,450



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) The table below shows a reconciliation of all movements in the fair value categorised within Level 3 of the fair value hierarchy between the beginning and end of the reporting year:

	THE GROUP	
	2021 Rs'000	2020 Rs'000
At 1 July	21,532,799	18,058,316
Transfer (to)/from investment property (Note 5)	(416,648)	23,328
Additions	231,595	833,192
Reclassifications	(260,870)	49,668
Disposals	(8,236)	(913)
Charge for the year	(484,827)	(476,053)
Write offs	201	(148,996)
Transfer to right of use assets (Note 16)	-	(1,365)
Transfer from assets in progress	52,244	41,499
Impairment of assets (Note 33)	(3,139)	-
Revaluation adjustment	497,018	905,393
Exchange differences	541,567	602,949
Transfer to assets classified as held for sale (Note 21)	(529,379)	(292,833)
Transfer from Level 2	-	1,938,614
At 30 June	21,152,325	21,532,799

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Description of valuation techniques used and sensitivity of key inputs to valuation are as follows:

Description	Valuation technique	Significant inputs	Range	Sensitivity of the input to value
Manser Saxon Contracting Ltd-Riche Terre Industrial Zone	Income capitalisation	Rental income	Rs 100 – Rs 450/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 2,900,000
Systems Building Contracting Ltd-9B, Thomy D'Arifat Street Curepipe (SBCL)	Income capitalisation	Rental income	Rs 275 /m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 200,000
Engineering Support Services Ltd-ESS Building Riche Terre	Income capitalisation	Rental income	Rs 100 – Rs 200/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 900,000
Compagnie des Magasins Populaires Ltée-Ex-Monoprix building, Curepipe	Depreciated replacement cost and the sales comparison	Price per arpent	Rs 102- 172 million/Arpent	1% increase/(decrease) in price per arpent would result in increase/(decrease) in fair value by Rs 1,600,000
IBL LTD-IBL House,Caudan	Sales comparisons approach	Price per square metre	Rs 95,785 – Rs 203,770/m <sup>2</sup>	1% increase/(decrease) in price per square/m would result in increase/(decrease) in fair value by Rs 4,500,000
Marine Biotechnology Products Ltd-Building 1	Income capitalisation	Rental income	Rs 100 – Rs 450/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 1,300,000
Marine Biotechnology Products Ltd-Building 2	Depreciated replacement cost approach	Construction cost	Rs 15,000 – Rs 25,000/m <sup>2</sup>	1% increase/(decrease) in construction cost would result in increase/(decrease) in fair value by Rs 300,000
Intergraph Ltée-Office and store	Income capitalisation	Rental income	Rs 100 – Rs 250/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 300,000
Eagle Insurance Limited-Eagle House, Ebene	Income capitalisation	Rental income	Rs 450 – Rs 650/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 1,900,000
Froid des Mascareignes Ltd-Latanier-Port Area, Quay D Road	Income capitalisation	Rental income	Rs 150 – Rs 450/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 4,600,000
The United Basalt Products Ltd-Building at Gros Cailloux	Depreciated replacement cost approach	Depreciation rate	9 – 10 %	1% increase/(decrease) in depreciation rate would result in (decrease)/increase in fair value by Rs 2,000,000
Lux Island Resorts-Building at Pierre Simonette st, Floreal, Curepipe	Income capitalisation	Price per square metre	Rs 100 – Rs 450/m <sup>2</sup>	1% increase/(decrease) in price per square metre would result in increase/(decrease) in fair value by Rs 822,120
Chantier Naval de l'Océan Indien Limited-Mer Rouge	Depreciated replacement cost approach	Construction cost	Rs 20,000 – Rs 38,000 /m <sup>2</sup>	1% increase/(decrease) in construction cost would result in increase/(decrease) in fair value by Rs 15,864,460
Bloomage Properties-various locations	Income capitalisation	Rental income	Rs 100 – Rs 1,100/m <sup>2</sup>	1% increase/(decrease) in rental income would result in increase/(decrease) in fair value by Rs 25,612,337

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 5. INVESTMENT PROPERTIES

	THE GROUP	
	2021 Rs'000	2020 Rs'000
At 1 July	2,857,422	2,892,786
Additions	30,053	168,693
Transfer from/(to) property, plant and equipment (Notes (b) and 4)	421,104	(23,328)
Transfer to inventories (Note (e))	(218,269)	(96,250)
Disposals	(87,281)	(104,981)
Fair value gain (Notes (a) and 33)	120,470	20,502
At 30 June	3,123,499	2,857,422
Rental income	100,740	75,559
Direct operating expenses:		
- generating rental income	30,113	13,158
- did not generate income	11,672	-

Description of valuation techniques used and sensitivity of key inputs to valuation are as follows:

Description	Valuation technique	Significant inputs	Range	Sensitivity of the input to value
Manser Saxon Contracting Ltd-Building at Plaine Lauzun	Income capitalisation	Discounted cashflow	12.00%	1% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by Rs 3,400,000
Froid des Mascareignes Ltd -Building at Quay D	Income capitalisation	Discounted cashflow	12.25%	1% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by Rs 2,000,000
Engitech Ltd-Building at Belle Village	Income capitalisation	Discounted cashflow	12.00%	1% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by Rs 3,400,000
The United Basalt Products Ltd-Building at Gros Cailloux	Depreciated replacement cost approach	Depreciation rate	9 - 10 %	1% increase/(decrease) in depreciation rate would result in (decrease)/increase in fair value by Rs 2,000,000
The Bee Equity Ltd-18,89 arpents located in the District of Flacq	Market value	Price per square metre	Rs 782/m <sup>2</sup>	1% increase/(decrease) in price per square metre would result in increase/(decrease) in fair value by Rs 624,000
BlueLife-various locations	Market value	Discounted cashflow	20% - 30%	1% increase/(decrease) in discount rate would result in increase/(decrease) in fair value by Rs 18,280,846
Bloomage Properties -various locations	Income capitalisation	Price per square metre	Rs 100 - Rs1,100/m <sup>2</sup>	1% increase/(decrease) in price per square metre would result in increase/(decrease) in fair value by Rs 7,108,412

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 5. INVESTMENT PROPERTIES (CONTINUED)

(a) The investment properties are stated at fair value which has been determined by Directors, based on valuations performed by accredited independent valuers, namely Elevante Properties Services Ltd, Jones Lang LaSalle, Chateau Doger de Speville Ltd and Ramiah-Isabel Consultancy Ltd. These valuers are specialists in valuing these types of investment properties and the revaluations were carried at 30 June 2021. The fair value is determined on open market value by reference to recent market transactions on arm's length term. The valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property.

The significant inputs used are the depreciation rate, the discount rate used on estimated development costs and the price per square metre as shown in the previous table.

(b) During the reporting year:

- three subsidiaries rented land and buildings amounting to **Rs 532,301,966** (2020: Rs 63,155,000) to third parties, which were previously classified as property, plant and equipment and subsequently transferred to investment properties.
- three subsidiaries rented land and buildings to related parties **Rs 111,197,975** (2020: Rs 86,483,000), which was previously classified as investment properties and transferred to property, plant and equipment.

(c) Banking facilities of some subsidiaries have been secured by charges on their investment properties.

(d) Details of the Group's and the Company's investment properties measured at fair value and information about the fair value hierarchy as at 30 June are as follows:

THE GROUP	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<b>2021</b>				
Investment properties	-	-	3,123,499	3,123,499
<b>2020</b>				
Investment properties	-	-	2,857,422	2,857,422

Level 3 reconciliation:

	THE GROUP	
	2021 Rs'000	2020 Rs'000
At 1 July	2,857,422	2,774,310
Transfer from/(to) property, plant and equipment (Notes (b) and 4)	421,104	(23,328)
Additions	30,053	73,743
Transfer to inventories (Note (e))	(218,269)	(96,250)
Disposals	(87,281)	(104,981)
Fair value gain	120,470	20,502
Transfer from Level 2	-	213,426
At 30 June	3,123,499	2,857,422

(e) During the year, one of the subsidiaries has transferred some assets from investment properties to inventories (refer to Note 15).

(f) There were no new transfer to assets held for sale during the reporting year. Certain assets held for sale as at 30 June 2020 continued to be held for sale as at 30 June 2021 (refer to Note 21).

(g) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 6. INTANGIBLE ASSETS

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>COST</b>					
<b>At 1 July 2019</b>	2,856,989	1,167,754	692,617	218,668	4,936,028
Transfer to right of use asset (Note 16)	-	(1,125,602)	-	-	(1,125,602)
Additions	18,578	-	73,986	30,064	122,628
Disposals	-	(7,089)	(50,564)	(28)	(57,681)
Write offs	-	(23)	(1,838)	-	(1,861)
Transfer from property, plant and equipment (Notes (a) and 4)	-	-	400	-	400
Assets in progress	-	-	1,272	-	1,272
Exchange differences	121,775	61,866	4,912	373	188,926
<b>At 30 June 2020</b>	<b>2,997,342</b>	<b>60,182</b>	<b>718,658</b>	<b>249,077</b>	<b>4,025,259</b>
<b>At 1 July 2020</b>	<b>2,997,342</b>	<b>60,182</b>	<b>718,658</b>	<b>249,077</b>	<b>4,025,259</b>
Transfer to right of use asset (Notes (b) and 16)	-	(58,050)	-	-	(58,050)
Additions	243,103	-	74,571	8,492	326,166
Disposals	-	-	(1,090)	-	(1,090)
Write offs	-	-	(64)	-	(64)
Transfer to property, plant and equipment (Notes (a) and 4)	-	-	(110)	-	(110)
Transfer to assets classified as held for sale (Note 21)	-	-	(4,774)	-	(4,774)
Opening balance of subsidiaries acquired (Note 38a)	11,065	-	217	-	11,282
Disposal of subsidiaries (Note 38b)	-	-	(5,374)	-	(5,374)
Assets in progress	-	-	24,135	-	24,135
Exchange differences	102,500	737	3,736	487	107,460
<b>At 30 June 2021</b>	<b>3,354,010</b>	<b>2,869</b>	<b>809,905</b>	<b>258,056</b>	<b>4,424,840</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 6. INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>AMORTISATION/IMPAIRMENT</b>					
<b>At 1 July 2019</b>	504,124	357,562	386,136	19,819	1,267,641
Transfer to right of use asset (Notes (c) and 16)	-	(376,142)	-	-	(376,142)
Charge for the year	-	2,609	103,431	10,852	116,892
Disposals	-	-	(24,988)	28	(24,960)
Write offs	-	-	(1,668)	-	(1,668)
Impairment loss	850,763	-	2,117	-	852,880
Transfer from property, plant and equipment (Notes (a) and 4)	-	-	99	-	99
Exchange differences	-	18,840	2,776	64	21,680
<b>At 30 June 2020</b>	<b>1,354,887</b>	<b>2,869</b>	<b>467,903</b>	<b>30,763</b>	<b>1,856,422</b>
<b>At 1 July 2020</b>	<b>1,354,887</b>	<b>2,869</b>	<b>467,903</b>	<b>30,763</b>	<b>1,856,422</b>
Charge for the year	-	-	91,436	587	92,023
Disposals	-	-	(933)	-	(933)
Write offs	-	-	(9)	-	(9)
Impairment loss	23,731	-	-	2,106	25,837
Reclassification	(179)	-	179	-	-
Transfer to property, plant and equipment (Notes (a) and 4)	-	-	(110)	-	(110)
Transfer - assets classified as held for sale (Note 21)	-	-	(4,389)	-	(4,389)
Disposal of subsidiaries (Note 38b)	-	-	(3,934)	-	(3,934)
Exchange differences	156	-	3,376	176	3,708
<b>At 30 June 2021</b>	<b>1,378,595</b>	<b>2,869</b>	<b>553,519</b>	<b>33,633</b>	<b>1,968,615</b>
<b>NET BOOK VALUE</b>					
<b>At 30 June 2021</b>	<b>1,975,415</b>	<b>-</b>	<b>256,386</b>	<b>224,423</b>	<b>2,456,225</b>
At 30 June 2020	1,642,455	57,313	250,755	218,314	2,168,837

- (a) During the year ended 30 June 2021, one subsidiary made a reclassification from intangible assets (computer software) to property, plant and equipment (computer and security equipment). The carrying amount of the reclassification amounted to Rs nil (2020: Rs 301,000).
- (b) During the year ended 30 June 2021, the leasehold rights in respect of two subsidiaries have been transferred as right of use assets under IFRS 16 (Refer to Note 16).
- (c) The assets under finance leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 6. INTANGIBLE ASSETS (CONTINUED)

THE COMPANY	Computer software	Total
	Rs'000	Rs'000
<b>COST</b>		
At 1 July 2019	108,033	108,033
Additions	8,971	8,971
Disposals	(655)	(655)
At 30 June 2020	116,349	116,349
At 1 July 2020	<b>116,349</b>	<b>116,349</b>
Additions	<b>1,377</b>	<b>1,377</b>
Disposals	<b>(1,090)</b>	<b>(1,090)</b>
<b>At 30 June 2021</b>	<b>116,636</b>	<b>116,636</b>
<b>AMORTISATION</b>		
At 1 July 2019	66,848	66,848
Charge for the year	15,874	15,874
Disposals	(655)	(655)
At 30 June 2020	82,067	82,067
At 1 July 2020	<b>82,067</b>	<b>82,067</b>
Charge for the year	<b>14,138</b>	<b>14,138</b>
Disposals	<b>(933)</b>	<b>(933)</b>
<b>At 30 June 2021</b>	<b>95,272</b>	<b>95,272</b>
<b>NET BOOK VALUE</b>		
<b>At 30 June 2021</b>	<b>21,364</b>	<b>21,364</b>
At 30 June 2020	34,282	34,282

Intangible assets included under "Others" at Group level consist of rights to publishing titles, marketing rights, trademarks, development costs, licences and Land Conversion Rights ("LCR").

The LCR arose from the reform of the sugar industry in the years 2000 which necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure (investments and expenses) have been financed by debt. In order to assist the repayment of these debts, government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is, when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), use for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss. The carrying amount of land conversion rights has been determined based on sales comparable. At 30 June 2021, the Directors have made an assessment of the carrying value of the LCRs and have concluded that an impairment of Rs 2.1 million (2020: Rs 6.9 million) was required.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 6. INTANGIBLE ASSETS (CONTINUED)

The following table shows the key unobservable input used in the valuation model:

Description	Key unobservable inputs	Range	Sensitivity of the input to value
			Rs'000
<b>2021</b>			
<b>Land conversion rights</b>	<b>Discount rate</b>	<b>8%</b>	<b>64,000</b>
2020			
Land conversion rights	Discount rate	8%	52,000

The Directors have considered the relevant factors in determining the useful life of the marketing rights and trademarks. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the marketing rights and trademarks have been assessed as having an indefinite useful life.

Goodwill acquired through business combinations have indefinite lives and have been allocated to the following cash-generating units for impairment testing in the following clusters:

	Carrying value	
	2021	2020
	Rs'000	Rs'000
Building & Engineering	29,656	29,656
Commercial & Distribution	742,874	660,028
Financial Services	262,784	9,743
Logistics	12,606	12,606
Corporate Services	32,096	32,096
Hospitality & Services	784,235	788,463
Life & Technologies	111,164	109,863
Property	-	-
	<b>1,975,415</b>	1,642,455

Overall, the recoverable amounts of these cash-generating units (CGU) have been determined based on their value in use calculation and fair value less cost to sell where applicable using cash flow projections based on financial budgets established by management. The pre-tax discount rates applied to cash flow projections vary and the growth rates have been explained below. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

The Group assesses goodwill annually for impairment or more frequently if there are indication that goodwill might be impaired.

Impairment loss of goodwill amounting to Rs 23.7 million (2020: Rs 850.7 million) is attributable to the cash generating unit of hospitality to reflect the loss in value of the CGU. This was done for the non-operating and loss making unit. The impairment loss is recognised in the statement of profit or loss. While the recoverable amount for the clusters has been determined based on their value-in-use, that of the hospitality cluster is based on the fair values less cost to sell.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 6. INTANGIBLE ASSETS (CONTINUED)

The Directors have reviewed the carrying values of goodwill at 30 June 2021 and are of the opinion that no additional impairment losses need to be recognised. Based on the weightage of the CGUs on the total amount of goodwill, the following clusters have been analysed:

#### **Commercial & Distribution**

##### *Camp Investment Company Limited*

In the commercial cluster, the recoverable amounts of trademarks and goodwill of Edena S.A. and its subsidiaries (Edena Group), located in Reunion Island, have been determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years. Value-in-use was determined by discounting the future cash flows generated from the continuing use of trademarks and the CGU of Edena Group respectively using a pre-tax discount rate. Discount rates used represent the current market assessment of the risk specific to a cash generating unit taking into consideration the time value of money and the weighted average cost of capital (WACC).

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of trademarks and Edena Group to at least maintain their respective market share. The assumptions used for the value-in-use calculations are as follows:

- cash flows were projected based on actual operating results extrapolated using an annual growth rate of 2% (2020: 4%) for a period of five years;
- cash flows after the five years period were extrapolated using a perpetual growth rate of 2% (2020: 2%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of Edena Group and is derived from its weighted average cost of capital (WACC) of 5.12% - 6.11% (2020: 6.34% - 9.78%). The WACC takes into account both debt and equity. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena group to exceed their aggregate recoverable amount. A rise in the pre-tax discount rate to 5.72% - 6.62% (i.e., +0.5%) in Edena Group would reduce the recoverable amount of the CGU by Rs 2.1 million; however, this does not trigger any impairment.

As a result of the above analysis, the Directors are satisfied that there are no indication of impairment of goodwill of Edena S.A for the year ended 30 June 2021. The increase in goodwill amount is mainly due to the impact of foreign exchange.

#### **Hospitality & Services**

##### *Lux Island Resorts (LIR)*

As a consequence of the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global COVID-19 pandemic, LIR has impaired its goodwill by Rs 23.7 million for the year ended 30 June 2021 (2020: Rs 667 million).

The recoverable amount of each CGU has been determined based on their fair value less cost to sell. The post tax cash flow projection is based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of LIR and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 10.30% to 12.30% (2020: 10% to 12%) for the various entities of LIR. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the LIR's investors. The cost of debt is based on the interest-bearing borrowings LIR is obliged to service.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry in which each CGU operates. A terminal growth of 3% (2020: 2% to 3%) has been assumed in the calculation.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

A 0.5% decrease in the terminal growth rate will lead to additional impairment ranging between Rs 1.2 million - Rs 9 million (2020: Rs 1.8 million - Rs 167 million). Similarly, a decrease of 1% in occupancy rate will lead to additional impairment ranging between Rs 17.4 million - Rs 46.6 million (2020: Rs 2.4 million - Rs 137 million).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 6. INTANGIBLE ASSETS (CONTINUED)

#### **Life & Technologies**

##### *IBL Life Ltd*

In the life & technologies cluster, the recoverable amount of CIDP Holdings has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of CIDP Holdings Ltd to at least maintain their respective market share. Moreover, cash flows after the five years period were also extrapolated using a perpetual growth rate of 3% (2020: 3%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of CIDP Holdings and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The pre-tax discount rate applied to cash flow projections is 16.97% (2020: 16.38%) and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate (2020: 3.0%) that is the same as the long-term average growth rate for the life & technologies industry. The Directors are satisfied that there is no indication of impairment of goodwill for the year ended 30 June 2021. Also, any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed their aggregate recoverable amount. A rise in the pre-tax discount rate to 16.88% (i.e., +0.5%) in CIDP Holdings would result in a decrease in the recoverable amount by Rs 16 million; however, this does not trigger any impairment.

#### **Property**

##### *Bluelife Limited & Southern Investment Company Ltd*

In relation to the property cluster, the Group had impaired its goodwill in the previous reporting year ended 30 June 2020. The goodwill for the Group in the property cluster previously arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd in prior years. Impairment of goodwill arising on amalgamation with Indian Ocean Real Estate Company Ltd has been assessed and accordingly, no future cash flows could be generated on the assets because operations have stopped. An impairment charge of Rs 31.0 million was provided in the previous reporting year. The recoverable amount was assessed as being nil since the CGU is not operating anymore. In that respect, goodwill arising from that CGU was fully impaired.

The Group also had goodwill arising on past acquisition of Salt of Palmar by Southern Investment Company Ltd. Impairment of goodwill has been assessed based on discounted cash flow technique, taking into consideration future cash flows expected to be generated on the assets and also the market conditions prevailing. Goodwill was fully impaired in the previous reporting year 30 June 2020 amounting to Rs 81.8 million. The recoverable amount was assessed as being nil for the previous reporting year since the CGU is not operating given the current prevailing market conditions. In that respect, goodwill arising from that CGU was fully impaired.

#### **Financial Services**

##### *Confido Holding Ltd (CHL) and Ekada Capital Ltd (ECL)*

CHL was acquired in December 2020 and goodwill arising on acquisition amounted to Rs 221.7 million. The goodwill was tested for impairment using the purchase consideration versus net assets and no indication of impairment was noted.

ECL was acquired in January 2021 and goodwill arising on acquisition amounted to Rs 20.3 million. The goodwill was tested for impairment using the purchase consideration versus net assets and no indication of impairment was noted.

The purchase price considerations for the above two entities, being a recent transaction, approximate their fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2020: 17%).

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Deferred tax liabilities	1,033,829	1,012,712	-	-
Deferred tax assets	(496,147)	(588,737)	(48,105)	(116,205)
<b>Net deferred tax at 30 June</b>	<b>537,682</b>	<b>423,975</b>	<b>(48,105)</b>	<b>(116,205)</b>

The movement in deferred tax during the year is as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>At 1 July</b>	<b>423,975</b>	<b>736,317</b>	<b>(116,205)</b>	<b>(87,228)</b>
Exchange differences	(16,160)	1,542	-	-
Transfer to assets classified as held for sale (Note 21)	-	25,294	-	-
Other movement	15,823	(19,105)	33,870	-
<i>Amounts recognised in profit or loss</i>				
(Credit)/Charge for the year (Note 26(b))	(74,634)	(218,184)	(6,483)	25,130
<i>Amounts recognised in other comprehensive income</i>				
Deferred tax on hedge reserves	(54,562)	(32,345)	-	-
Deferred tax on revaluation losses of land and buildings	65,582	100,435	5,393	-
Deferred tax relating to remeasurement of employee benefit liabilities	177,658	(169,979)	35,320	(54,107)
<b>At 30 June</b>	<b>537,682</b>	<b>423,975</b>	<b>(48,105)</b>	<b>(116,205)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 7. DEFERRED TAXATION (CONTINUED)

THE GROUP	Accelerated tax depreciation	Hedge reserves	Provisions	Revaluation of property, plant and equipment	Employee benefit (assets)/ liabilities	Right of use assets	Tax losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	958,243	-	(95,818)	534,195	(322,534)	(14,353)	(323,416)	736,317
Other movement	(17,198)	-	-	-	-	393	(2,300)	(19,105)
Transfer to assets classified as held for sale (Note 21)	-	-	-	-	-	-	25,294	25,294
Credit to profit or loss	(88,583)	-	(70,647)	(18,843)	(10,762)	(842)	(28,507)	(218,184)
Charge/(credit) to other comprehensive income	-	(32,345)	-	100,435	(169,979)	-	-	(101,889)
Exchange difference	-	-	1,542	-	-	-	-	1,542
<b>At 30 June 2020</b>	<b>852,462</b>	<b>(32,345)</b>	<b>(164,923)</b>	<b>615,787</b>	<b>(503,275)</b>	<b>(14,802)</b>	<b>(328,929)</b>	<b>423,975</b>
<b>At 1 July 2020</b>	<b>852,462</b>	<b>(32,345)</b>	<b>(164,923)</b>	<b>615,787</b>	<b>(503,275)</b>	<b>(14,802)</b>	<b>(328,929)</b>	<b>423,975</b>
Other movement	9,565	-	-	4,121	1,984	-	-	15,670
Charge/(credit) to profit or loss	267,316	-	44,359	(168,272)	7,939	(76,649)	(149,327)	(74,634)
Charge/(credit) to other comprehensive income	-	(54,804)	-	65,582	177,900	-	-	188,678
Tax on acquisition of subsidiaries (Note 38(a))	59	-	-	-	(434)	-	-	(375)
Exchange difference	(12,251)	-	-	(23)	(3,358)	-	-	(15,632)
<b>At 30 June 2021</b>	<b>1,117,151</b>	<b>(87,149)</b>	<b>(120,564)</b>	<b>517,195</b>	<b>(319,244)</b>	<b>(91,451)</b>	<b>(478,256)</b>	<b>537,682</b>

THE COMPANY	Accelerated tax depreciation	Provisions	Revaluation of property, plant and equipment	Employee benefit (assets)/ liabilities	Right of use assets	Tax losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	6,411	(38,670)	79,448	(134,417)	-	-	(87,228)
Charge/(credit) to profit or loss	1,487	(3,046)	58,756	-	628	(32,695)	25,130
Credit to other comprehensive income	-	-	(54,107)	-	-	-	(54,107)
<b>At 30 June 2020</b>	<b>7,898</b>	<b>(41,716)</b>	<b>84,097</b>	<b>(134,417)</b>	<b>628</b>	<b>(32,695)</b>	<b>(116,205)</b>
<b>At 1 July 2020</b>	<b>7,898</b>	<b>(41,716)</b>	<b>84,097</b>	<b>(134,417)</b>	<b>628</b>	<b>(32,695)</b>	<b>(116,205)</b>
Charge/(credit) to profit or loss	(2,198)	(6,389)	-	10,016	(400)	(7,513)	(6,484)
Charge to other comprehensive income	-	-	5,393	35,320	-	-	40,713
Under provision of deferred tax in previous years	1,175	-	-	-	-	32,696	33,871
<b>At 30 June 2021</b>	<b>6,875</b>	<b>(48,105)</b>	<b>89,490</b>	<b>(89,081)</b>	<b>228</b>	<b>(7,512)</b>	<b>(48,105)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 8. CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane	Plants	Vegetables	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	4,220	29,300	16,144	49,664
Production	13,622	30,178	29,831	73,631
Sales	(16,385)	(41,497)	(20,836)	(78,718)
Fair value movement	3,335	8,663	(10,799)	1,199
At 30 June 2020	<b>4,792</b>	<b>26,644</b>	<b>14,340</b>	<b>45,776</b>
Production	<b>4,187</b>	<b>41,984</b>	<b>53,645</b>	<b>99,816</b>
Sales	<b>(6,893)</b>	<b>(41,945)</b>	<b>(31,884)</b>	<b>(80,722)</b>
Fair value movement	<b>1,352</b>	<b>7,493</b>	<b>(19,288)</b>	<b>(10,443)</b>
At 30 June 2021	<b>3,438</b>	<b>34,176</b>	<b>16,813</b>	<b>54,427</b>

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

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

	2021	2020
<b>Standing cane</b>		
Expected area to harvest (ha)	65	96
Estimated yields (%)	10.2	10.1
Estimated price of sugar - Rs (per ton)	19,162	16,076
<b>Plants</b>		
Expected area to harvest (ha)	8	8
Maximum maturity of plants at 30 June	1 year	1 year
<b>Vegetables</b>		
Expected area to harvest (ha)	56	50
Discount factor (%)	8.8	9.0

Description of significant unobservable inputs to valuation:

Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Cane yield per Ha: 34 ton/ha (2020: 37 ton/ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 72,833 (2020: Rs 268,882).
	Price of sugar: Rs 19,162/ton (2020: Rs 16,076/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 364,164 (2020: Rs 497,431).
	WACC 10.15% (2020: 12.48%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 18,342 (2020: Rs 3,604).
Plants	Average price of plants: Rs 185 (2020: Rs 206)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 2,079,518 (2020: Rs 2,073,093).
	Mortality rate 3% (2020: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 3,785,488 (2020: Rs 2,073,093).
	WACC 18% (2020: 20%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 334,663 (2020: Rs 266,438).
Vegetables	Discount factor 8.8% (2020: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 168,145 (2020: Rs 33,715).
	Price of vegetables: Rs 12,000 - Rs 23,000 (2020: Rs 15,000 - Rs 19,000)	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs 1,210,931 (2020: Rs 955,845).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 9. GROSS OUTSTANDING CLAIMS AND REINSURANCE ASSETS

THE GROUP	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July:						
Claims notified	1,327,430	(781,448)	545,982	1,481,911	(1,015,882)	466,029
Claims incurred but not reported	231,409	(135,034)	96,375	227,981	(144,061)	83,920
	1,558,839	(916,482)	642,357	1,709,892	(1,159,943)	549,949
Movement in claims incurred	704,713	(314,076)	390,637	839,527	(369,560)	469,967
Cash (paid)/received for claims settled in the year	(806,716)	392,424	(414,292)	(990,580)	613,021	(377,559)
At 30 June	1,456,836	(838,134)	618,702	1,558,839	(916,482)	642,357
Analysed as:						
Claims notified	1,220,427	(703,100)	517,327	1,327,430	(781,448)	545,982
Claims incurred but not reported	236,409	(135,034)	101,375	231,409	(135,034)	96,375
	1,456,836	(838,134)	618,702	1,558,839	(916,482)	642,357

## 10(a). GENERAL INSURANCE FUND AND REINSURANCE ASSETS

THE GROUP	Gross	Reinsurance	Net
	Rs '000	Rs '000	Rs '000
At 1 July 2019	576,605	(227,600)	349,005
Movement during the year	(121,225)	32,931	(88,294)
At 30 June 2020	455,380	(194,669)	260,711
Movement during the year	22,607	(71,782)	(49,175)
At 30 June 2021	477,987	(266,451)	211,536

## 10(b). NET CLAIMS INCURRED

THE GROUP	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Net claims incurred	659,716	(299,550)	360,166	815,316	(431,055)	384,261

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES

## THE COMPANY

	Listed	Secondary market	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	7,276,219	670,670	12,644,652	20,591,541
Additions	-	-	51,381	51,381
Recapitalisation of loans (Note (iii))	-	-	1,298,348	1,298,348
Fair value adjustment	(2,662,341)	28,652	(866,031)	(3,499,720)
<b>At 30 June 2020</b>	<b>4,613,878</b>	<b>699,322</b>	<b>13,128,350</b>	<b>18,441,550</b>
At 1 July 2020	<b>4,613,878</b>	<b>699,322</b>	<b>13,128,350</b>	<b>18,441,550</b>
Transfer to level 3	(585,600)	-	585,600	-
Additions	-	-	471,541	471,541
Recapitalisation of loans (Note (iii))	187,647	-	17,445	205,092
Transfer from associates (Note 12(b))	-	-	80,434	80,434
Fair value adjustment	384,868	(43,897)	1,775,230	2,116,201
<b>At 30 June 2021</b>	<b>4,600,793</b>	<b>655,425</b>	<b>16,058,600</b>	<b>21,314,818</b>

The additions have been financed as follows:

	2021	2020
	Rs'000	Rs'000
Cash	451,579	51,381
Issue of shares	19,962	-
Recapitalisation of loans	205,092	1,298,348
	<b>676,633</b>	<b>1,349,729</b>

- (i) The Group and the Company have pledged their investments to secure the banking facilities obtained.
- (ii) The investments in subsidiaries are measured at FVTOCI at year ended 30 June 2021 and are not subject to impairment requirements.
- (iii) During year ended 30 June 2021 and 30 June 2020, the Group converted several non-current receivable balances from related parties (refer to Note 17) into investment balances.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries	Country of incorporation	Type of shares	Principal activity	2021		2020	
				% held	% held	% held	% held
				Direct	Indirect	Direct	Indirect
Chantier Naval de l'Océan Indien Limited	Mauritius	Ordinary	Construction and repair of ships	63.83	-	63.83	-
CNOI Investments Ltd	Mauritius	Ordinary	Investment	-	63.83	-	63.83
Mer and Design Ltd	Mauritius	Ordinary	Investment	-	63.83	-	63.83
Construction & Material Handling Company Ltd	Mauritius	Ordinary	Handling equipment	100.00	-	100.00	-
DieselActiv Co Ltd	Mauritius	Ordinary	Mechanical	100.00	-	100.00	-
Engineering Services Ltd	Seychelles	Ordinary	Outsourcing	-	69.37	-	69.37
Engineering Support Services Ltd (formerly called Riche Terre Development Limited)	Mauritius	Ordinary	Support Services	100.00	-	100.00	-
Engitech Ltd	Mauritius	Ordinary	Commerce	100.00	-	100.00	-
Fit-Out (Mauritius) Ltd	Mauritius	Ordinary	Manufacturing	-	69.83	-	69.83
IBL Madagasikara S.A.	Madagascar	Ordinary	Commerce	90.00	-	90.00	-
IBL Energy Ltd (vii)	Mauritius	Ordinary	Investment	100.00	-	-	-
IBL Energy Holdings Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Skysails Power Indian Ocean Ltd (ix)	Mauritius	Ordinary	Investment	-	74.00	-	-
Manser Saxon Interiors Ltd	Mauritius	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Elevators Ltd	Mauritius	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Environment Ltd (ii)	Mauritius	Ordinary	Inactive	-	99.97	-	99.97
Manser Saxon Plumbing Ltd	Mauritius	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Contracting Limited	Mauritius	Ordinary	Manufacturing & contracting	99.97	-	99.97	-
Manser Saxon Dubai LLC (ii)	Dubai	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Interiors LLC (ii)	Dubai	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Openings Ltd (ii)	Mauritius	Ordinary	Manufacturing	-	99.97	-	99.97
Manser Saxon Training Services Ltd	Mauritius	Ordinary	Training services	-	99.97	-	99.97
Tower Bridge Projects (Mauritius) Ltd	Mauritius	Ordinary	Construction	-	99.97	-	99.97
Saxon International Ltd	Mauritius	Ordinary	Investment	-	99.97	-	99.97
Servequip Ltd	Mauritius	Ordinary	Rental & servicing of equipment	100.00	-	100.00	-
Scomat Limitée	Mauritius	Ordinary	Industrial & Mechanical	100.00	-	100.00	-
Société de Transit Aérien et Maritime SARL (ii)	Madagascar	Ordinary	Clearing & forwarding	-	85.50	-	85.50
Systems Building Contracting Ltd	Mauritius	Ordinary	Manufacturing & contracting	-	64.48	-	64.48
Tornado Limited	Mauritius	Ordinary	Manufacturing	-	99.97	-	99.97
Flacq Associated Stonemasters Limited	Mauritius	Ordinary	Production and sale of aggregates and bricks	-	28.15	-	28.15
United Basalt Products Ltd	Mauritius	Ordinary	Investment	33.14	-	33.14	-
Espace Maison Ltée	Mauritius	Ordinary	Commerce	-	33.14	-	33.14
La Savonnerie Créole Ltée	Mauritius	Ordinary	Commerce	-	33.14	-	33.14
Compagnie de Gros Cailloux Limitée	Mauritius	Ordinary	Agriculture	-	33.14	-	33.14
Welcome Industries Limited	Mauritius	Ordinary	Manufacture of building materials	-	25.15	-	25.15
UBP International Ltd	Mauritius	Ordinary	Investment	-	33.14	-	33.14
UBP Madagascar	Madagascar	Ordinary	Manufacture of building materials	-	33.14	-	33.14
United Granite Products (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	-	25.52	-	25.52
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	Ordinary	Building and Engineering	-	33.14	-	33.14
Sheffield Trading (Pvt) Ltd	Sri-Lanka	Ordinary	Building and Engineering	-	33.14	-	33.14

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- (iv) Investments disposed
- (v) Change in percentage holding without loss of control
- (vi) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2021
- (vii) Acquired during the year
- (viii) Recapitalisation
- (ix) Companies incorporated during the year
- (x) Company under voluntary administration
- (xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
Sainte Marie Crushing Plant Ltd	Mauritius	Ordinary	Manufacture of building materials	-	25.35	-	25.35
Société des petits Cailloux	Mauritius	Ordinary	Investment	-	25.35	-	25.35
Dry Mixed Products Ltd	Mauritius	Ordinary	Manufacture of building materials	-	18.09	-	18.09
Land Reclamation Limited (ii)	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Stone and Bricks Co Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
The Stonemasters Company Limited	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Blychem Ltd	Mauritius	Ordinary	Manufacture of chemical products	100.00	-	100.00	-
WellActiv Company Ltd (formerly: HealthActiv Ltd)	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
Medical Trading Company Ltd	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
New Cold Storage Company Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Pick and Buy Limited	Mauritius	Ordinary	Supermarkets	-	100.00	-	100.00
Winhold Limited	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Compagnie des Magasins Populaires Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
Pick and Buy Victoria Ltd (formerly: CMPL (Cascavelle) Limitée)	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
Pick and Buy Trianon Ltd (formerly: CMPL (Bagatelle) Limitée)	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
CMPL (Mont Choisy) Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
Intergraph Ltée	Mauritius	Ordinary	Trading in printing equipment and consumables	100.00	-	100.00	-
Heilderberg Océan Indien Limitée	Mauritius	Ordinary	Investment	-	100.00	-	100.00
Intergraph Réunion	Reunion	Ordinary	Trading in printing equipment and consumables for printing	-	100.00	-	100.00
Intergraph Réunion SAV	Reunion	Ordinary	After sales service	-	100.00	-	100.00
SCI Les Alamandas	Reunion	Ordinary	Real Estate	-	100.00	-	100.00
Intergraph Réunion Papier	Reunion	Ordinary	Trading in papers	-	100.00	-	100.00
Intergraph Africa Ltd	Mauritius	Ordinary	Trading in printing equipment and consumables	-	100.00	-	100.00
Adam and Company Limited (i)	Mauritius	Ordinary	Inactive	-	100.00	-	100.00
Cassis Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Equip and Rent Company Ltd	Mauritius	Ordinary	Rental of equipment	100.00	-	100.00	-
Fondation Joseph Lagesse	Mauritius	Ordinary	Charitable institution	100.00	-	100.00	-
IBL Africa Investment Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Biotechnology International Ltd	Mauritius	Ordinary	Research and Development	100.00	-	100.00	-
IBL Loyalty Ltd (formerly IBL Corporate Services Ltd) (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-

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(iv) Investments disposed

(v) Change in percentage holding without loss of control

(vi) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2021

(vii) Acquired during the year

(viii) Recapitalisation

(ix) Companies incorporated during the year

(x) Company under voluntary administration

(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
IBL Entertainment Limited (i)	Mauritius	Ordinary	Inactive	-	100.00	-	100.00
IBL Entertainment Holding Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
IBL Treasury Management Ltd (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Les Cuisines Solidaires Ltée	Mauritius	Ordinary	Charitable institution	-	100.00	-	100.00
IBL International Limited	Kenya	Ordinary	Business Development	100.00	-	100.00	-
IBL Training Services Limited (i)	Mauritius	Ordinary	Training services	100.00	-	100.00	-
GML Immobilier Ltée	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
IMV Services Ltd	Mauritius	Ordinary	Rental of equipment	100.00	-	100.00	-
I-Consult Limited	Mauritius	Ordinary	IT Services	100.00	-	100.00	-
I-Telecom Ltd	Mauritius	Ordinary	IT Services	100.00	-	100.00	-
Ireland Blyth (Seychelles) Ltd (i)	Seychelles	Ordinary	Inactive	100.00	-	100.00	-
Ireland Fraser and Company Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Printvest Holding Ltd (ii)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Management Ltd	Mauritius	Ordinary	Management Services	100.00	-	100.00	-
IBL Treasury Ltd	Mauritius	Ordinary	Treasury	100.00	-	100.00	-
SPCB Ltée (ii)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Ze Dodo Trail Ltd	Mauritius	Ordinary	Organiser of trails	100.00	-	100.00	-
Ekada Capital Ltd (Formerly: AfrAsia Capital Management Ltd) (vi)	Mauritius	Ordinary	Wealth Management	51.97	-	-	-
Beach International Company Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS International Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Trustees Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Outsourcing Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Registry Services Ltd	Mauritius	Ordinary	Provider of Services	-	100.00	-	100.00
DTOS East Africa Company Limited	Uganda	Ordinary	Global business	-	100.00	-	100.00
DTOS International East Africa (K) Limited	Kenya	Ordinary	Global business	-	100.00	-	100.00
Inconformità Ltd (ix)	Mauritius	Ordinary	Provider of Services	-	100.00	-	-
IBL Financial Services Holding Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Interface International Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Interface Management Services Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
IPSE (Nominees) Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
ITA EST (Nominees) Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Knights & Johns Management Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Pines Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Pines Nominees Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Eagle Insurance Limited	Mauritius	Ordinary	General Insurance	60.00	-	60.00	-

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(vii) Acquired during the year

(viii) Recapitalisation

(ix) Companies incorporated during the year

(x) Company under voluntary administration

(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
Specialty Risk Solutions Ltd	Mauritius	Ordinary	General Insurance	-	42.00	-	42.00
Eagle Investment Property Limited (formerly MEI Investment Property Limited)	Mauritius	Ordinary	Property	-	60.00	-	60.00
The Bee Equity Partners Ltd	Mauritius	Ordinary	Investment	34.95	-	34.95	-
Confido Holding Limited (vi)	Mauritius	Ordinary	Investment	100.00	-	33.33	-
ElGeo Re (Mauritius) Ltd (vi)	Mauritius	Ordinary	Reinsurance	-	100.00	-	33.33
Alentaris Ltd (iii) & (viii)	Mauritius	Ordinary	Investment	85.00	-	75.51	-
Alentaris Recruitment Ltd	Mauritius	Ordinary	Recruitment services	-	85.00	-	75.51
Alentaris Consulting Ltd	Mauritius	Ordinary	Human resource consulting	-	85.00	-	75.51
Alentaris Management Ltd	Mauritius	Ordinary	Management company	-	85.00	-	75.51
International Development Partners (E.A) Limited	Kenya	Ordinary	Recruitment services and human resource management	-	74.00	-	74.00
LCF Holdings Ltd	Mauritius	Ordinary	Investment dealing and advisory services	75.00	-	75.00	-
LCF Registry & Advisory Ltd	Mauritius	Ordinary	Investment dealing and advisory services	-	60.00	-	60.00
LCF Securities Ltd	Mauritius	Ordinary	Investment dealing and advisory services	-	63.75	-	63.75
LCF Wealth Ltd	Mauritius	Ordinary	Investment dealing and advisory services	-	60.00	-	60.00
IBL Link Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
GWS Technologies Ltd	Mauritius	Ordinary	Investment	-	80.00	-	80.00
Real soft Ltd	Mauritius	Ordinary	Software Publishing	-	40.00	-	40.00
The Ground Collaborative Space Ltd	Mauritius	Ordinary	Collaborative workspace	-	86.23	-	86.23
Universal Media Ltd	Mauritius	Ordinary	Media	-	55.00	-	55.00
Lux* Island Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	56.47	-	56.47	-
Holiday & Leisure Resorts Limited	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Merville Beach Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Merville Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Blue Bay Tokey Island Limited	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Beau Rivage Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
LIR Properties Ltd (formerly known as Lux Resorts Ltd)	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Les Pavillons Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
LTK Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
FMM Ltée	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
MSF Leisure Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Hotel Prestige Reunion SAS	Reunion	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Le Recif (iv)	Reunion	Ordinary	Hospitality and Tourism	-	-	-	55.97
LIRCO (ix)	Mauritius	Ordinary	Hospitality and Services	-	56.47	-	-
Les Villas du Lagon SA	Reunion	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Naiade Holidays (Pty) Ltd	South Africa	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Oceanide Limited	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
Nereide Limited	Mauritius	Ordinary	Hospitality and Tourism	-	56.47	-	56.47

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(ix) Companies incorporated during the year

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
Lux Island Resort Foundation	Mauritius	Ordinary	Charitable institution	-	56.47	-	56.47
Lux Island Resort Maldives Ltd	Seychelles	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
White Sand Resorts & Spa Pvt Ltd	Maldives	Ordinary	Hospitality and Tourism	-	56.47	-	56.47
The Lux Collective Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	56.37	-	49.61	-
Lux Island Resort Seychelles Ltd (iii)	Seychelles	Ordinary	Hospitality and Tourism	-	56.36	-	49.61
LIRTA Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
The Lux Collective UK Ltd (formerly known as Lux Island Resorts UK Limited) (iii)	UK	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Island Light Vacations Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Salt Hospitality Ltd (iii) & (x)	Mauritius	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Palm Boutique Hotel Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
The Lux Collective Pte Ltd (iii)	Singapore	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Cafe LUX Ltd (iii)	Mauritius	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Lux Hotel Management (Shanghai) Co Ltd (iii)	China	Ordinary	Hospitality and Tourism	-	56.37	-	49.61
Bloomage Ltd	Mauritius	Ordinary	Real Estate & Property Management	100.00	-	100.00	-
Southern Investments Ltd	Mauritius	Ordinary	Real Estate	-	100.00	-	100.00
SCI Edena	Reunion	Ordinary	Real Estate	-	23.28	-	23.28
BlueLife Limited (iii) & (viii)	Mauritius	Ordinary	Property Development & Holding Co	57.41	-	48.99	-
Haute Rive Holdings Limited (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Azuri Suites Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Azuri Watch Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Azuri Services Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Azuri Estate Management Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Haute Rive Ocean Front Living Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Haute Rive IRS Company Limited (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Haute Rive PDS Company Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
HR Golf Holding Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Azuri Golf Management Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Circle Square Holding Company Limited (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Life in Blue Limited (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Ocean Edge Property Management Company Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
Les Hauts Champs 2 Ltd (iii)	Mauritius	Ordinary	Property Development	-	57.41	-	48.99
PL Resort Ltd	Mauritius	Ordinary	Property Development	-	34.45	-	29.39
Haute Rive Azuri Hotel Ltd	Mauritius	Ordinary	Property Development	-	36.11	-	30.81
IBL Life Ltd	Mauritius	Ordinary	Biotechnologies	100.00	-	100.00	-
Plat-Form Laser (xi)	Mauritius	Ordinary	Biotechnologies	-	100.00	-	45.00
Healthscape Ltd	Mauritius	Ordinary	Wellness	-	100.00	-	100.00
The Cryoact Ltd (Formerly: The Cryocentre Ltd) (ix)	Mauritius	Ordinary	Cryotherapy	-	51.00	-	-
CIDP Holding (formerly Rouclavier Ltée)	Mauritius	Ordinary	Research and Biotechnology	-	90.00	-	90.00
Services Gestion des Compagnies Ltée	Mauritius	Ordinary	Management Services	-	90.00	-	90.00
CIDP Preclinical Ltd	Mauritius	Ordinary	Clinical testing	-	90.00	-	90.00
CIDP India Ltd	Mauritius	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	90.00	-	90.00

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(ix) Companies incorporated during the year

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	-	89.10	-	89.10
CIDP International	Mauritius	Ordinary	Clinical research and investment	-	89.10	-	89.10
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	89.10	-	89.10
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	-	90.00	-	90.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	89.10	-	89.10
Centre de Phytotherapie et de Recherche Ltée	Mauritius	Ordinary	Testing and analysis of plants	-	90.00	-	90.00
CIDP Singapore Ltd	Mauritius	Ordinary	Clinical research and investment	-	90.00	-	90.00
Centre International de Development Pharmaceutique (formerly known as CIDP Biotech Singapore)	Singapore	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	90.00	-	90.00
Air Mascareignes Limitée	Mauritius	Ordinary	Tourism	50.00	-	50.00	-
Australair General Sales Agency Ltd	Mauritius	Ordinary	Tourism and Travel	-	50.00	-	50.00
Australair GSA Comores SARL	Comoros	Ordinary	Tourism and Travel	-	50.00	-	50.00
Australair GSA Mada s.a.	Madagascar	Ordinary	Tourism and Travel	-	50.00	-	50.00
Catovair Comores Sarl (i)	Mauritius	Ordinary	Tourism and Travel	-	50.00	-	50.00
Compagnie Thonière de l'Océan Indien Ltée	Mauritius	Ordinary	Rental of fishing boats	100.00	-	100.00	-
Ground 2 Air Ltd (formerly named Equity Aviation Indian Ocean Limited)	Mauritius	Ordinary	Ground handling	100.00	-	100.00	-
Equity Aviation Comores Sarl	Mauritius	Ordinary	Ground handling	-	100.00	-	100.00
G2A Camas Ltd	Mauritius	Ordinary	Training	-	50.00	-	50.00
IBL Aviation Comores SARL (i)	Comoros	Ordinary	Tourism and Travel	-	100.00	-	100.00
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	100.00	-	100.00	-
IBL Comores SARL	Comoros	Ordinary	Tourism	100.00	-	100.00	-
IBL Comores GSA Anjouan SARL	Comoros	Ordinary	Tourism	-	100.00	-	100.00
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	-	100.00	-
IBL Regional Development Limited	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	-	100.00	-	100.00
Arcadia Travel Comores SARL	Comoros	Ordinary	Travel agency	-	100.00	-	100.00
Arcadia Travel Limited (formerly called IBL Travel Limited)	Mauritius	Ordinary	Travel agency	100.00	-	100.00	-
IBL Shipping Company Ltd (formerly: Indian Ocean Logistics Limited)	Mauritius	Ordinary	Import-Export	100.00	-	100.00	-
I World Ltd	Mauritius	Ordinary	Commerce	100.00	-	100.00	-
Ireland Fraser (Madagascar) SARL(ii)	Madagascar	Ordinary	Commerce	-	100.00	-	100.00
Logidis Limited	Mauritius	Ordinary	Warehousing	100.00	-	100.00	-
Mad Courier SARL	Madagascar	Ordinary	Courier service	92.50	-	92.50	-
Mada Aviation SARL	Madagascar	Ordinary	General sales agent	100.00	-	100.00	-
Reefer Operations Limited	Isle Of Man	Ordinary	Shipping	100.00	-	100.00	-
Reefer Operations (BVI) Limited	British Virgin Island	Ordinary	Shipping	-	100.00	-	100.00

(i) Companies are inactive

(ii) Companies are inactive and in process of de-registration or in the process of liquidation

(iii) Increase in percentage holding

(iv) Investments disposed

(v) Change in percentage holding without loss of control

(vi) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2021

(vii) Acquired during the year

(viii) Recapitalisation

(ix) Companies incorporated during the year

(x) Company under voluntary administration

(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
Société Mauricienne de Navigation Ltée (i)	Mauritius	Ordinary	Service provider	100.00	-	100.00	-
Somatrans SDV Ltd	Mauritius	Ordinary	Import-Export	75.00	-	75.00	-
Somatrans SDV Logistics Ltd	Mauritius	Ordinary	Import-Export	-	75.00	-	75.00
Southern Seas Shipping Company Limited	Mauritius	Ordinary	Shipping	100.00	-	100.00	-
IBL LAS Support Ltd (formerly known as Tourism Services International Limited)	Mauritius	Ordinary	Support Services	100.00	-	100.00	-
Aquatic Proteins Private Limited	India	Ordinary	Manufacturing	-	70.00	-	70.00
Cervonic Ltd	Mauritius	Ordinary	Manufacturing	-	85.00	-	85.00
Froid des Mascareignes Ltd	Mauritius	Ordinary	Storage	-	59.50	-	59.50
IBL Biotechnology Investment Holdings Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Biotechnology (Mauritius) Ltd	Mauritius	Ordinary	Research and Development	90.00	-	90.00	-
IBL India Investments Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Gabon Investments Limited	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Tropical Holding SA	Gabon	Ordinary	Seafood	-	60.00	-	60.00
IBL Ugandan Holdings 1 Limited (i)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Seafood Support Services Ltd (formerly known as Société de Traitement et d'Assainissement des Mascareignes Limitée)	Mauritius	Ordinary	Support Services	100.00	-	100.00	-
Industrie et Services de l'Océan Indien Limitée	Mauritius	Ordinary	Maritime Transport	-	63.83	-	63.83
La Tropicale Mauricienne Ltée	Mauritius	Ordinary	Manufacturing	100.00	-	100.00	-
Marine Biotechnology Products Ltd	Mauritius	Ordinary	Manufacturing	-	56.95	-	56.95
Marine Biotechnology International Ltd	Mauritius	Ordinary	Investment	-	85.00	-	85.00
Marine Biotechnology Products Cote d'Ivoire	Ivory Coast	Ordinary	Investment	-	43.35	-	43.35
Seafood Hub Limited	Mauritius	Ordinary	Investment	85.00	-	85.00	-
Transfroid Ltd	Mauritius	Ordinary	Import-Export	-	59.50	-	59.50
Camp Investment Company Limited	Mauritius	Ordinary	Investment	49.60	-	49.60	-
Phoenix Management Company Ltd	Mauritius	Ordinary	Management	-	49.58	-	49.58
Phoenix Investment Company Limited	Mauritius	Ordinary	Investment	26.17	11.25	26.17	11.25
Phoenix Beverages Limited	Mauritius	Ordinary	Production of Beer and Bottles and distribution of beverages	3.21	20.07	3.21	20.07
MBL Offshore Ltd	Mauritius	Ordinary	Investment	-	23.28	-	23.28
Phoenix Beverages Overseas Ltd	Mauritius	Ordinary	Export of beverages	-	23.28	-	23.28
The (Mauritius) Glass Gallery Ltd	Mauritius	Ordinary	Production and sale of glasswares	-	17.69	-	17.69
Phoenix Distributors Limited	Mauritius	Ordinary	Distribution of beverages	-	22.66	-	22.66
Phoenix Camp Minerals Offshore Limited	Mauritius	Ordinary	Investment	-	23.28	-	23.28
Phoenix Réunion SARL	Reunion	Ordinary	Commissioning agent	-	23.28	-	23.28
Helping Hands Foundation	Mauritius	Ordinary	Charitable institution	-	20.37	-	20.37
Phoenix Foundation	Mauritius	Ordinary	Foundation	-	23.28	-	23.28
Edena S.A.	Reunion	Ordinary	Distribution of beverages	-	23.28	-	23.28
Espace Solution Reunion SAS	Reunion	Ordinary	Other Services	-	23.28	-	23.28
The Traditional Green Mill Ltd	Mauritius	Ordinary	Restaurant	-	23.28	-	23.28

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(vii) Acquired during the year

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(ix) Companies incorporated during the year

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(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of non-wholly owned subsidiaries of the Group that have non-controlling interest:

	Percentage of voting rights held by non-controlling interests		Net profit/(loss) attributable to non-controlling interest		Accumulated non-controlling interests		Dividend paid to non-controlling interests	
	2021	2020	2021	2020	2021	2020	2021	2020
			Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lux* Island Resorts Ltd	43.53%	43.53%	(460,443)	(382,300)	2,949,378	2,422,556	-	-
Camp Investment Company Limited	50.40%	50.40%	423,935	413,362	3,849,651	3,394,746	(179,588)	(180,117)
United Basalt Products Ltd	66.86%	66.86%	150,032	22,664	2,507,920	2,241,017	(69,677)	(34,277)
Chantier Naval de l'Océan Indien Ltd	36.17%	36.17%	58,528	9,101	984,619	810,042	(32,911)	(8,110)
Bluelife Limited	42.59%	51.01%	(121,443)	(147,842)	1,059,987	963,826	-	-
Individually immaterial subsidiaries with non-controlling interests			16,998	(150,004)	1,086,632	1,265,073	(55,599)	(105,620)
<b>Total</b>			<b>67,607</b>	<b>(235,019)</b>	<b>12,438,187</b>	<b>11,097,260</b>	<b>(337,775)</b>	<b>(328,124)</b>

The Group considers certain entities over which it controls less than 50% of the voting rights as subsidiaries since it has sufficient dominant voting interest to direct the relevant activities of these entities and therefore has control over them (refer to Note 3).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

**Lux\* Island Resorts Ltd**

	2021 Rs'000	2020 Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	774,970	870,496
Non-current assets	15,792,745	14,200,317
Current liabilities	3,138,779	4,246,886
Non-current liabilities	8,276,286	5,583,704
Equity attributable to owners of the Company	2,203,272	3,142,700
Non-controlling interests	2,949,378	2,422,556
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	2,301,629	4,847,130
Expenses	(3,359,390)	(5,725,376)
Loss for the year	(1,057,761)	(878,246)
Loss for the year:		
- Loss attributable to owners of the Company	(597,318)	(495,946)
- Loss attributable to the non-controlling interests	(460,443)	(382,300)
	(1,057,761)	(878,246)
<i>Other comprehensive (loss)/income for the year:</i>		
- Other comprehensive (loss)/income attributable to owners of the Company	(53,062)	185,873
- Other comprehensive (loss)/income attributable to the non-controlling interests	(40,903)	250,590
	(93,965)	436,463
<i>Total comprehensive income for the year:</i>		
- Total comprehensive loss attributable to owners of the Company	(650,380)	(310,073)
- Total comprehensive (loss)/income attributable to the non-controlling interests	(501,346)	(131,710)
	(1,151,726)	(441,783)
<i>Summarised statements of cash flows:</i>		
Net cash inflow from operating activities	88,025	555,988
Net cash outflow from investing activities	(1,374,708)	(923,908)
Net cash inflow from financing activities	1,424,980	287,023
Net cash inflow/(outflow) for the year	138,297	(80,897)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

**Camp Investment Company Limited**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	2,321,762	1,804,304
Non-current assets	5,446,454	5,397,041
Current liabilities	1,522,063	1,319,991
Non-current liabilities	1,148,186	1,461,975
Equity attributable to owners of the Company	1,248,316	1,024,633
Non-controlling interests	3,849,651	3,394,746
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	7,927,039	7,572,564
Expenses	(7,361,947)	(7,081,838)
Profit for the year	565,092	490,726
Profit for the year:		
- Profit attributable to owners of the Company	141,157	77,364
- Profit attributable to the non-controlling interests	423,935	413,362
	565,092	490,726
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	116,966	(184,399)
- Other comprehensive income/(loss) attributable to the non-controlling interests	243,265	(57,174)
	360,231	(241,573)
Total comprehensive income/(loss) for the year:		
- Total comprehensive income/(loss) attributable to owners of the Company	258,123	(107,035)
- Total comprehensive income/(loss) attributable to the non-controlling interests	667,200	356,188
	925,323	249,153
<i>Summarised statements of cash flows:</i>		
Net cash inflow from operating activities	999,649	802,098
Net cash outflow from investing activities	(294,812)	(509,803)
Net cash outflow from financing activities	(380,970)	(287,167)
Net cash inflow for the year	323,867	5,128

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

**United Basalt Products Ltd**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	1,475,191	1,367,377
Non-current assets	4,041,050	4,159,780
Current liabilities	647,389	790,660
Non-current liabilities	1,330,534	1,460,126
Equity attributable to owners of the Company	1,030,398	1,191,781
Non-controlling interests	2,507,920	2,241,017
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	3,449,282	2,990,928
Expenses	(3,234,456)	(2,958,878)
Profit for the year	214,826	32,050
Profit for the year:		
- Profit attributable to owners of the Company	64,794	9,386
- Profit attributable to the non-controlling interests	150,032	22,664
	214,826	32,050
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	66,619	48,545
- Other comprehensive income attributable to the non-controlling interests	136,072	97,060
	202,691	145,605
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	131,413	57,931
- Total comprehensive income attributable to the non-controlling interests	286,104	119,724
	417,517	177,655
<i>Summarised statements of cash flows:</i>		
Net cash inflow from operating activities	505,627	340,348
Net cash outflow from investing activities	(134,710)	(241,303)
Net cash(outflow)/ inflow from financing activities	(186,954)	43,582
Net cash inflow for the year	183,963	142,627

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

**Chantier Naval de l'Océan Indien Ltd**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	565,747	530,845
Non-current assets	2,907,005	2,069,896
Current liabilities	272,201	116,469
Non-current liabilities	481,524	244,729
Equity attributable to owners of the Company	1,734,408	1,531,148
Non-controlling interests	984,619	810,042

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	961,652	814,831
Expenses	(799,839)	(789,670)
Profit for the year	161,813	25,161
Profit for the year:		
- Profit attributable to owners of the Company	103,285	16,060
- Profit attributable to the non-controlling interests	58,528	9,101
	161,813	25,161
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	260,849	129,289
- Other comprehensive income attributable to the non-controlling interests	147,813	73,264
	408,662	202,553
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	364,134	145,349
- Total comprehensive income attributable to the non-controlling interests	206,341	82,365
	570,475	227,714
<i>Summarised statements of cash flows:</i>		
Net cash inflow from operating activities	383,070	107,238
Net cash outflow from investing activities	(502,859)	(165,666)
Net cash inflow/(outflow) from financing activities	167,047	(152,840)
Net cash inflow/(outflow) for the year	47,258	(211,268)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

**BlueLife Limited**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	1,223,719	713,249
Non-current assets	2,347,783	2,980,752
Current liabilities	1,155,677	1,276,852
Non-current liabilities	325,838	584,161
Equity attributable to owners of the Company	1,030,000	869,163
Non-controlling interests	1,059,987	963,826

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	199,080	473,331
Expenses	(400,597)	(797,288)
Loss for the year	(201,517)	(323,957)
Loss for the year:		
- Loss attributable to owners of the Company	(80,074)	(176,115)
- Loss attributable to the non-controlling interests	(121,443)	(147,812)
	(201,517)	(323,927)
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	49,845	(746)
- Other comprehensive income/(loss) attributable to the non-controlling interests	110,620	(180)
	160,465	(926)
Total comprehensive loss for the year:		
- Total comprehensive loss attributable to owners of the Company	(30,229)	(176,861)
- Total comprehensive loss attributable to the non-controlling interests	(10,823)	(147,992)
	(41,052)	(324,853)
<i>Summarised statements of cash flows:</i>		
Net cash outflow from operating activities	(154,177)	(55,794)
Net cash inflow from investing activities	352,784	136,177
Net cash outflow from financing activities	(191,208)	(116,072)
Net cash inflow/(outflow) for the year	7,399	(35,689)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 12. INVESTMENTS IN ASSOCIATES

	2021	2020
	Rs'000	Rs'000
<b>(a) THE GROUP</b>		
<b>At 1 July</b>	<b>9,472,435</b>	8,938,782
Additions (Note (iii))	69,116	317,631
Transfer to investment in subsidiaries	(34,351)	-
Impairment loss (Note (i))	(34,509)	(198,612)
Share of results - continuing operations	731,598	539,050
Dividend income	(257,690)	(292,511)
Movement in fair value reserves	(14,612)	(10,420)
Movement in revaluation reserves	-	92,875
Movement in currency translation reserves	229,751	184,379
Movement in other reserves	7,699	(51,723)
Other movements in retained earnings	11,254	1,975
Capital redemption (Note (ii))	-	(48,991)
<b>At 30 June</b>	<b>10,180,691</b>	9,472,435

(i) At 30 June 2021, the Group had recognised impairment losses with respect to Identical Media Holding (Rs 26 million) and LCL Cynologics (Rs 8.5 million) due to recoverable amounts being lower than the carrying values. The recoverable amounts of the associates were determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. Value-in-use for each associate was determined by discounting the future cash flows generated by applying key assumptions encircling the cash flows which were projected based on actual operating results extrapolated using an annual growth rate for a period of five years, where the cash flows after the five years period are also extrapolated using a perpetual growth rate in order to calculate the terminal recoverable amount. The key assumptions are the discount rates which represent the current market assessment of the risk specific to the associate taking into consideration the time value of money and the weighted average cost of capital (WACC) of 22.28% and 24.03% for Identical Media Holding and LCL Cynologics respectively.

(ii) The capital redemption related to capital reduction of the indirect associate Cosy Club Management Services Ltd during the previous financial year. This did not result in any change in percentage holding as the capital reduction was made to all shareholders of the indirect associate.

(iii) Additions during the year have been financed as follows:

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Recapitalisation of loan	-	151,326
Cash consideration	69,116	166,305
	<b>69,116</b>	<b>317,631</b>

Recapitalisation of loan related to a loan receivable from Nutrifish SAS which was capitalised during the previous financial year 30 June 2020.

The additions through the cash consideration for the year ended 30 June 2021 is in respect of the investment in Energie des Mascareignes Limitée.

(b) THE COMPANY	Listed	Unquoted	Total
	Rs'000	Rs'000	Rs'000
At 1 July 2019	1,655,026	3,668,575	5,323,601
Fair value adjustments	(316,920)	318,845	1,925
At 30 June 2020	1,338,106	3,987,420	5,325,526
At 1 July 2020	<b>1,338,106</b>	<b>3,987,420</b>	<b>5,325,526</b>
Disposal	-	(980)	(980)
Transfer to subsidiaries (Note 11)	-	(80,434)	(80,434)
Fair value adjustments	933,153	(118,398)	814,755
<b>At 30 June 2021</b>	<b>2,271,259</b>	<b>3,787,608</b>	<b>6,058,867</b>

(c) The Group and the Company have pledged their investments to secure banking facilities obtained.

(d) Refer to Note 34 for capital commitments and Note 35 for contingent liabilities related to associates of the Group.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(e) Details of associates	Country of incorporation	Type of shares	2021 % held		2020 % held	
			Direct	Indirect	Direct	Indirect
AfrAsia Bank Limited	Mauritius	Ordinary	30.29	-	30.29	-
AfrAsia Investments Limited	Mauritius	Ordinary	-	30.29	-	30.29
Ekada Capital Ltd (formerly AfrAsia Capital Management Ltd) (vi)	Mauritius	Ordinary	-	-	-	30.29
Alteo Ltd	Mauritius	Ordinary	27.64	-	27.64	-
Australair GSA Seychelles Ltd (iii)	Seychelles	Ordinary	-	49.00	-	49.00
Compagnie des Travaux Maritimes des Mascareignes Ltée (iii)	Mauritius	Ordinary	-	25.00	-	25.00
Confido Holding Limited (iv)	Mauritius	Ordinary	-	-	33.33	-
EllGeo Re (Mauritius) Ltd (iv)	Mauritius	Ordinary	-	-	-	33.33
Cosy Club Management Services Ltd	Mauritius	Ordinary	-	44.67	-	44.67
Crown Corks Industries Ltd	Mauritius	Ordinary	-	7.07	-	7.07
DDL Promotion Ltée (i)	Mauritius	Ordinary	-	40.00	-	40.00
Chronopost (Mauritius) Ltd (formerly DPD Laser (Mauritius) Ltd)	Mauritius	Ordinary	25.00	-	25.00	-
Energie des Mascareignes Limitée (iii)	Mauritius	Ordinary	30.00	-	30.00	-
Island Management Ltd	Mauritius	Ordinary	25.00	-	25.00	-
IBL Energy Efficiency Ltd (iii)	Mauritius	Ordinary	-	35.00	-	35.00
IBL Photovoltaic Solutions Ltd (iii)	Mauritius	Ordinary	-	40.00	-	40.00
Identical Media Holding Ltd	Mauritius	Ordinary	-	10.48	-	10.48
H. Savy Insurance Company Ltd	Seychelles	Ordinary	-	12.00	-	12.00
LCL Cynologics Ltd	Mauritius	Ordinary	-	30.05	-	30.05
Madalg SARL (iii)	Madagascar	Ordinary	40.00	-	40.00	-
Mauritius Coal and Allied Services Co Ltd	Mauritius	Ordinary	49.00	-	49.00	-
Medscheme (Mtius) Ltd	Mauritius	Ordinary	-	18.00	-	18.00
Mer des Mascareignes Limitée	Mauritius	Ordinary	-	42.50	-	42.50
MDM Distribution Ltd	Mauritius	Ordinary	-	42.50	-	42.50
Nutrifish SAS	France	Ordinary	-	41.25	-	41.25
Princes Tuna (Mauritius) Ltd	Mauritius	Ordinary	23.37	17.27	23.37	17.27
Quantilab Holding Ltd	Mauritius	Ordinary	-	50.00	-	50.00
Scimat SAS	Reunion	Ordinary	50.00	-	50.00	-
Supintex Ltd (vi)	Mauritius	Ordinary	-	-	49.00	-
Supinvest Ltd (vi)	Mauritius	Ordinary	-	-	-	49.00
Switch Energy Ltd	Mauritius	Ordinary	-	21.27	-	21.27
Price Guru Ltd	Mauritius	Ordinary	-	20.00	-	20.00
Victoria Station	Mauritius	Ordinary	-	24.13	-	24.13

(i) Companies are inactive

(ii) Companies are inactive and in process of de-registration

(iii) These have not been equity accounted in the financial statements as they were inactive and not material to the Group

(iv) Increase in stake and transferred to investments in subsidiaries

(v) Investments acquired during the year

(vi) Disposed during year in review

All the above associates are accounted using the equity method in the consolidated financial statements, except where mentioned otherwise.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(f) Information presented in aggregate for associates that are not individually significant:

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	793,403	1,122,868
Non-current assets	2,339,977	904,808
Current liabilities	531,712	766,266
Non-current liabilities	810,533	217,060
<i>Summarised statements of profit or loss and other comprehensive income:</i>		
The Group's share of profit from continuing operations	57,446	179,754
The Group's share of other comprehensive income / (loss)	14,013	(5,159)
The Group's share of profit and total comprehensive income	71,459	174,595
Carrying amount of the Group's total interest in its associates	619,331	593,962

(g) Details of significant associates

The table below presents a summary of financial information in respect of each of the significant associates of the Group. This summary represents the amounts reported in the financial statements of the respective associates prepared in accordance with IFRS.

**AfrAsia Bank Limited**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	164,074,230	131,541,320
Non-current assets	26,008,991	28,935,557
Current liabilities	178,832,286	150,826,106
Non-current liabilities	2,194,241	999,289
Equity attributable to other shareholders	1,385,768	1,399,768
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	2,112,728	3,010,670
Profit for the year attributable to ordinary shareholders of the Company	929,596	1,542,996
Other comprehensive profit / (loss) attributable to ordinary shareholders of the Company	13,262	(15,368)
Total comprehensive income for the year attributable to ordinary shareholders of the Company	942,858	1,527,628
Group's share of profit for the year of the associate	237,219	422,733
Group's share of total comprehensive income of the associate	4,055	418,078
Dividend income from associate	114,294	130,039

Reconciliation of financial information summarized above and the carrying value of the investment in AfrAsia Bank Limited recorded in the consolidated financial statements:

	2021	2020
	Rs'000	Rs'000
Net assets of the associate attributable to the Group	7,670,921	7,251,709
Percentage holding by the Group (Note 12(e))	30.29%	30.29%
Share of net assets	2,323,522	2,196,543
Goodwill	364,963	364,963
Carrying value of the Group's share	2,688,485	2,561,506

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g) Details of significant associates (Continued)

**Alteo Ltd**

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	7,367,844	6,925,029
Non-current assets	23,780,659	23,051,651
Current liabilities	5,259,990	5,116,244
Non-current liabilities	7,227,964	7,701,578
Equity attributable to other shareholders	1,651,147	1,365,039
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	9,549,122	8,290,697
Profit/(loss) for the year attributable to ordinary shareholders of the Company	1,158,973	(102,340)
Other comprehensive income attributable to ordinary shareholders of the Company	247,683	327,127
Total comprehensive income attributable to ordinary shareholders of the Company	224,790	224,787
Group's share of profit/(loss) for the year of the associate	320,341	(28,287)
Group's share of total comprehensive income of the associate	68,734	62,131
Dividend income from associate	63,384	47,537

Reconciliation of financial information summarized above and the carrying value of the investment in Alteo Ltd recorded in the consolidated financial statements:

	2021	2020
	Rs'000	Rs'000
Net assets of associate	17,009,402	15,831,069
Percentage holding by the Group (Note 12(e))	27.64%	27.64%
Share of net assets	4,701,399	4,375,707
Carrying value of the Group's share	4,701,399	4,375,707



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g) Details of significant associates (Continued)

## Princes Tuna (Mauritius) Ltd

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	4,169,162	3,618,139
Non-current assets	3,146,181	2,957,707
Current liabilities	2,429,382	2,089,822
Non-current liabilities	682,273	891,429
Equity attributable to other shareholders	267,852	185,815
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	9,231,203	8,653,189
Profit for the year attributable to ordinary shareholders of the Company	302,261	120,749
Other comprehensive loss attributable to ordinary shareholders of the Company	(102,167)	(41,734)
Total comprehensive income for the year attributable to ordinary shareholders of the Company	200,094	79,015
Group's share of profit for the year of the associate	116,592	38,903
Group's share of total comprehensive income of the associate	147,290	137,383
Dividend income from associate	33,664	32,361

Reconciliation of financial information summarized above and the carrying value of the investment in Princes Tuna (Mauritius) Ltd recorded in the consolidated financial statements:

	2021	2020
	Rs'000	Rs'000
Net assets of associate attributable to the Group	3,935,836	3,408,780
Percentage holding by the Group (Note (i))	43.68%	43.68%
Share of net assets	1,719,173	1,488,955
Goodwill	452,303	452,303
Carrying value of the Group's share	2,171,476	1,941,258

(i) The Company has direct shareholding of 23.37% in Princes Tuna (Mauritius) Ltd ('PTM') and one subsidiary of the Group has 20.31% shareholding in PTM. Cumulatively, the Group has 43.68% shareholding in the associate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures:

	Type of Shares	Country of incorporation		Percentage held	
				2021	2020
City Brokers Ltd	Ordinary	Mauritius	Direct	50.00%	50.00%
CBL Africa Ltd (i)	Ordinary	Mauritius	Indirect	-	50.00%
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	46.24%	46.24%
Plat Form Laser (iii)	Ordinary	Mauritius	Indirect	-	45.00%
Proxifresh Ltd (ii)	Ordinary	Mauritius	Direct	50.00%	20.00%

(i) Amalgamated with its holding company

(ii) Increase in stake and transferred from investments in other financial assets

(iii) Increase in stake and transferred to investments in subsidiaries

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1	117,057	113,335	302,580	347,679
Additions	16,602	-	16,602	-
Share of results - continuing operations	25,431	29,385	-	-
Dividends	(55,537)	(20,000)	-	-
Fair value movement	-	-	63,443	(45,099)
Impairment loss	(16,610)	-	-	-
Share of other comprehensive income	4,508	(5,663)	-	-
Transfer to investment in subsidiary	(501)	-	-	-
<b>At 30 June</b>	<b>90,950</b>	<b>117,057</b>	<b>382,625</b>	<b>302,580</b>

There are no contingent liabilities and capital commitments with respect to the joint ventures (2020: nil).

None of the joint ventures are individually significant to the Group.

Information presented in aggregate for the joint ventures that are not individually significant:

	2021	2020
	Rs'000	Rs'000
<i>Summarised statements of financial position:</i>		
Current assets	265,624	221,125
Non-current assets	19,720	27,432
Current liabilities	196,333	97,819
Non-current liabilities	17,716	27,238
Group's share of profit for the year	25,431	29,385
Group's share of total comprehensive income for the year	4,508	23,724
Equity	71,295	123,500
Group's share in equity	35,851	61,958
Goodwill	55,099	55,099
Carrying amount of the Group's total interest	90,950	117,057
<i>Summarised statements of profit or loss:</i>		
Revenue from contracts with customers	328,332	298,254
Cost of sales	77,261	69,721
Administrative expenses, including depreciation	163,086	155,661
Profit before tax	71,134	70,480
Income tax expense	14,257	10,453
Profit for the year (continuing operations)	56,878	80,933
Total comprehensive income for the year (continuing operations)	51,136	53,186

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 14. OTHER FINANCIAL ASSETS

THE GROUP	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	402,215	371,338	285,539	1,059,092
Additions	68,277	92,687	84,307	245,271
Disposals	(26,148)	(115,596)	(185,634)	(327,378)
Fair value adjustments	(54,625)	(16,845)	32,738	(38,732)
Exchange differences	(24,051)	(640)	(10,843)	(35,534)
Reclassification	(369)	-	369	-
Accrued interest during the year	69	-	6,128	6,197
At 30 June 2020	365,368	330,944	212,604	908,916
<b>At 1 July 2020</b>	<b>365,368</b>	<b>330,944</b>	<b>212,604</b>	<b>908,916</b>
Additions	38,253	113,016	313,136	464,405
Acquisition of subsidiaries (Note 38)	59	-	-	59
Disposals	(47,034)	(100,273)	(159,516)	(306,823)
Fair value adjustments	33,632	85,667	-	119,299
Exchange differences	1,264	-	5,690	6,954
Accrued interest during the year	-	-	4,185	4,185
Impairment (Note (i))	(7)	-	-	(7)
Reversal of expected credit losses	14	-	772	786
<b>At 30 June 2021</b>	<b>391,549</b>	<b>429,354</b>	<b>376,871</b>	<b>1,197,774</b>

## Analysed as follows:

	2021	2020
	Rs'000	Rs'000
Current	195,714	179,643
Non-current	1,002,060	729,273
	<b>1,197,774</b>	<b>908,916</b>

## Analysed as follows:

Listed	488,588	255,151
Unquoted	709,186	653,765
	<b>1,197,774</b>	<b>908,916</b>

THE COMPANY	Fair value through OCI	Fair value through profit or loss	Measured at amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	122,294	-	-	122,294
Disposal	(1,213)	-	-	(1,213)
Fair value adjustments	1,288	-	-	1,288
At 30 June 2020	122,369	-	-	122,369
<b>At 1 July 2020</b>	<b>122,369</b>	<b>-</b>	<b>-</b>	<b>122,369</b>
Disposal	-	(3,500)	-	(3,500)
Fair value adjustments	(20,069)	3,500	-	(16,569)
<b>At 30 June 2021</b>	<b>102,300</b>	<b>-</b>	<b>-</b>	<b>102,300</b>

## Analysed as follows:

	2021	2020
	Rs'000	Rs'000
Non-current	102,300	122,369

## Analysed as follows:

Listed	32,805	28,499
Unquoted	69,495	93,870
	<b>102,300</b>	<b>122,369</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 14. OTHER FINANCIAL ASSETS (CONTINUED)

## (i) Impairment of financial assets:

At Group level, the corporate bonds and deposits are held mainly with reputable local banks and listed entities. The Directors have assessed that the credit risk on these financial instruments has not increased significantly since initial recognition and recognises 12-month ECL for these assets. The Directors have determined the credit ratings of these instruments to be BBB-, BBB and BB+ based on the sovereign rating and external rating for main local banks. A loss rate given default of 45% has been applied in determining the ECL on the assumption that these corporate bonds are unsecured. There were no impairment of the financial assets at Company level (2020: nil).

## 15. INVENTORIES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Raw materials (at cost)	1,093,828	1,277,817	-	-
Spare parts (at cost)	287,459	253,785	868	219
Work in progress (at cost)	588,989	204,233	-	-
Finished goods (at lower of cost and net realisable value)	3,475,346	3,145,910	945,682	825,540
Goods in transit (at cost)	531,437	285,408	241,533	135,678
Stock of land for sale (at net realisable value)	218,269	93,145	-	-
	<b>6,195,328</b>	<b>5,260,298</b>	<b>1,188,083</b>	<b>961,437</b>

The trading stocks of some subsidiaries have been pledged as security for bank facilities granted to them. The carrying amount of inventories pledged as securities is Rs 2,902.1 million (2020: Rs 2,583.8 million) for the Group and Rs 1,188 million (2020: Rs 961.4 million) for the Company. The cost of inventories recognised as an expense includes an amount of Rs 34.6 million (2020: Rs 90.3 million) in respect of write down of inventories to net realisable value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

## (a) Right of use assets

## Group as a lessee

The Group has lease contracts for land and buildings, plant and equipment, motor vehicles, office furniture and computer equipment which contain lease components used in its operations. Land and buildings have a lease term between 7 and 60 years, plant and equipment have a lease term of 4 to 10 years, motor vehicles have lease terms between 5 and 7 years and office furniture and computer equipment have lease terms of 1 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of right of use assets recognised and the movements during the period:

	THE GROUP					THE COMPANY		
	Land and building	Plant and equipment	Motor vehicles	Office furniture and Computer equipment	Total	Land and building	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	3,610,888	328,559	35,325	-	3,974,772	13,068	4,272	17,340
Transfer from property, plant and equipment (Note 4)	1,365	137,533	142,573	19,047	300,518	-	10,680	10,680
Transfer from intangible assets (Note 6)	749,460	-	-	-	749,460	-	-	-
Additions for the year	331,405	96,592	31,327	-	459,324	52,913	3,577	56,490
Depreciation charge for the year	(318,642)	(122,069)	(45,048)	(3,809)	(489,568)	(13,400)	(7,001)	(20,401)
Exchange differences	78,004	36,322	-	-	114,326	-	-	-
At 30 June 2020	4,452,480	476,937	164,177	15,238	5,108,832	52,581	11,528	64,109
<b>At 1 July 2020</b>	<b>4,452,480</b>	<b>476,937</b>	<b>164,177</b>	<b>15,238</b>	<b>5,108,832</b>	<b>52,581</b>	<b>11,528</b>	<b>64,109</b>
Additions for the year	117,772	39,863	113,693	11,432	282,760	1,841	37,330	39,171
Additions - acquisition of subsidiaries (Note 38(a))	4,211	-	-	-	4,211	-	-	-
Disposal of subsidiaries (Note 38(b))	(280,127)	(15,333)	-	-	(295,460)	-	-	-
Impairment of lease assets (Note (i))	(59,801)	(2,264)	(8,046)	-	(70,111)	-	(7,490)	(7,490)
Reassessment of leases (Note (ii))	11,606	-	-	-	11,606	-	-	-
Transfer from property, plant and equipment (Note 4)	-	(3,539)	9,227	-	5,688	-	-	-
Transfer from intangible assets (Note 6)	58,050	-	-	-	58,050	-	-	-
Transfer to held for sale (Note 21)	(79,334)	-	-	-	(79,334)	-	-	-
Depreciation charge for the year	(399,081)	(57,640)	(116,667)	(5,094)	(578,482)	(14,005)	(8,711)	(22,716)
Exchange differences	446,445	11	7,671	-	454,127	-	-	-
<b>At 30 June 2021</b>	<b>4,272,221</b>	<b>438,035</b>	<b>170,055</b>	<b>21,576</b>	<b>4,901,887</b>	<b>40,417</b>	<b>32,657</b>	<b>73,074</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 16. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

## (a) Right of use assets (Continued)

- (i) As a consequence of the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global COVID-19 pandemic, the Group has impaired its right of use by Rs 70.11 million for the year ended 30 June 2021 (2020: Nil). The recoverable amount has been determined based on the fair value less cost to sell. The post-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied represents the current market assessment of the risks, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 7.16% to 12.30% (2020: Nil). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. A terminal growth which ranges between 1.5% to 3% (2020: Nil) has been assumed in the calculation. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability to at least maintain its market share. The impairment loss at Company level amounting to Rs 7.4 million relates to an accidented motor vehicle which has been fully impaired.

- (ii) During the year, leases have been reassessed due to changes in the lease terms which are not lease modification.

## (b) Lease liabilities

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	4,652,050	4,056,516	66,284	17,340
Transfer from borrowings (Note 22)	-	284,012	-	11,009
Additions for the year	276,999	469,890	39,929	54,532
Additions - acquisition of subsidiaries (Note 38(a))	4,371	-	-	-
Interest expense	355,681	323,595	4,061	3,625
Disposal of subsidiaries (Note 38(b))	(309,236)	-	-	-
Termination of lease released to profit or loss	(17,776)	-	(7,717)	-
Reassessment of lease liability (Note a(ii))	(70,500)	-	-	-
Lease payment	(785,831)	(739,295)	(25,674)	(20,222)
Exchange differences	479,416	257,332	-	-
<b>At 30 June</b>	<b>4,585,174</b>	<b>4,652,050</b>	<b>76,883</b>	<b>66,284</b>
<b>Current</b>	<b>554,697</b>	<b>474,087</b>	<b>22,027</b>	<b>18,019</b>
<b>Non-current</b>	<b>4,030,477</b>	<b>4,177,963</b>	<b>54,856</b>	<b>48,265</b>
	<b>4,585,174</b>	<b>4,652,050</b>	<b>76,883</b>	<b>66,284</b>

Refer to Note 22(e) for the cash and non-cash movements in lease liabilities.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
The following are the amounts recognised in profit or loss:				
Depreciation charged of right of use assets	578,482	489,568	22,716	20,401
Interest expense on lease liabilities	355,681	323,595	4,061	3,625
COVID-19 rent concession	18,476	-	-	-
Total amount recognised in profit or loss	952,639	813,163	26,777	24,026

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The COVID-19 rent concession arises from changes in rental amounts on a specific group of buildings.

The Group and the Company had total cash outflows for leases amounting to Rs 823 million (2020: Rs 776 million) and Rs 25 million (2020: Rs 20 million) respectively.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 16. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(c) The present value of liabilities may be analysed as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	551,783	421,113	19,143	20,950
After one year but not more than five years	1,882,453	1,658,613	57,740	11,290
More than five years	2,150,938	2,572,324	-	34,044
	<b>4,585,174</b>	<b>4,652,050</b>	<b>76,883</b>	<b>66,284</b>

The effective interest rates at the end of reporting date were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	3.0% - 7.5%	4.0% - 12.5%	3.0% - 7.5%	4.1% - 9.2%
Lease liabilities				

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Within five years	290,615	307,412
More than five years	27,061	37,975
Termination options not expected to be exercised	317,676	345,387

During the year under review, the Group has taken exemption for short-term lease accounting amounting to Rs 37.1 million (2020: Rs 36.5 million). These leases were taken for a period of 6 - 12 months.

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and commercial buildings. These leases have terms between 5 and 20 years.

Future minimum rentals receivables under non-cancellable leases as at 30 June are as follows:

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Within one year	62,580	48,424
After one year but not more than five years	150,062	150,031
More than five years	18,869	18,103
	<b>231,511</b>	<b>216,559</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 17. NON-CURRENT LOAN RECEIVABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Amount due from related parties (Note (a)(i))	1,850	3,800	429,517	531,010
Loan receivable	94,426	-	-	-
Less: Provision for expected credit losses (Note (a)(ii))	(96,276)	(1,850)	(337,906)	(349,484)
Other amounts receivable (Note (b))	90,763	40,562	-	-
Financial asset	1,500	1,500	1,500	1,500
<b>At 30 June</b>	<b>92,263</b>	<b>44,012</b>	<b>93,111</b>	<b>183,026</b>

(a)(i) *Amount due from related parties*

The Group and the Company have determined lifetime expected credit loss on loan receivables from related companies based on expected recovery of the related debts.

Amount due from related parties for the Company are unsecured and repayable on demand but not within the next 12 months. Receivable amounting to Rs 127 million (2020: Rs 127 million) are interest-free while remaining balances of Rs 321 million (2020: Rs 404 million) bear interest at rates ranging from 3.1% to 7.75% (2020: 3.1% to 7.75%). In determining the expected credit losses, the Company has assessed the ability of the related parties to pay the debts if demanded at reporting date and where the borrower has access to unrestricted cash to repay the debt, the ECL determined is immaterial. If the borrower cannot repay the debts at reporting date, management has determined a recovery period usually between 3 to 5 years on the basis that the entities will continue operations and generate future cash flows. The expected credit loss will be limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which might be 0% if the loan is interest free) over the period until cash is realised. If the time period to realise cash is short or the effective interest rate is low, the effect of discounting might be immaterial. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, there is no impairment loss to recognise.

During the year, the Company waived several balances due from related parties which were converted into investment balance, (refer to Note 11).

(ii) Set out below is the movement in the loss allowance:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At 1 July 2019	1,850	54,875
Increase in loss allowance recognised in profit or loss during the year	-	294,609
At 30 June 2020	1,850	349,484
At 1 July 2020	1,850	349,484
Increase in loss allowance recognised in profit or loss during the year	94,426	7,195
Amounts recovered during the year	-	(18,773)
<b>At 30 June 2021</b>	<b>96,276</b>	<b>337,906</b>

(b) Other amounts receivable relate to deposits which are repayable after more than one year.

(c) Management has assessed ECL on other amounts receivable and other financial asset and the amount is insignificant (2020: Nil).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Trade receivables (Note (a))	<b>3,846,082</b>	3,479,706	<b>1,068,724</b>	427,176
Trade receivables from related parties	<b>233,590</b>	212,885	<b>13,528</b>	220,236
Less: Allowance for expected credit losses	<b>(746,407)</b>	(818,709)	<b>(58,539)</b>	(99,810)
	<b>3,333,265</b>	2,873,882	<b>1,023,713</b>	547,602
Other receivables (Note (b))	<b>1,363,409</b>	2,179,598	<b>78,415</b>	136,738
Less: Allowance for expected credit losses	<b>(17,464)</b>	(8,725)	<b>(16,476)</b>	-
Prepayments	<b>304,557</b>	337,100	<b>49,241</b>	92,235
Amount receivable from related companies	-	19,380	<b>349,763</b>	270,739
	<b>4,983,767</b>	5,401,235	<b>1,484,656</b>	1,047,314

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

## (a) Trade receivables

Before accepting any new customer, the Group and the Company assess the potential customer's credit quality and defines credit limits by customer and these are reviewed on a regular basis. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Group and the Company have recognised allowance for expected credit losses against trade receivables by reference to past default experience on an individual basis.

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and credit terms). The Group has presented the credit risk exposure on trade receivables by the different business clusters consistent with the reportable segments. The Company's trade receivables arise from services provided by corporate office as well as operations in Commercial & Distribution and logistics clusters mainly from sale of consumer goods, healthcare products and equipment and sale of shipping and aviation services.

Building & Engineering

The activities within this cluster include engineering and contracting services as well as sale of goods and services. The average credit period on sales of goods and services ranges from 30 to 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 180 days to 360 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Some of the entities within this cluster have segmented the trade receivables by customer/product/service types (e.g. related/non related, electrical, parts, storage and furniture). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

## (a) Trade receivables (continued)

Commercial & Distribution

The Commercial & Distribution cluster consists mainly of sale of consumer goods/products, healthcare and industrial goods and related services. The average credit period on sales of goods and services ranges between 30 to 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 90 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Some of the entities within the cluster have segmented the trade receivables by geography/customer base (e.g. countries of exportation (Madagascar, Seychelles), hotel, restaurant, cafe (HORECA), retail key account, retail modern account, retail traditional account, Government). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that the receivables are generally not recoverable.

Logistics

This cluster provides logistics, shipping and aviation services to clients. The average credit period on sales of most services is 30 days except for provision of aviation courses which has a credit period of 150 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 90 days to 150 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables have been segmented between related and non related for some entities. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Seafood

The activities within this cluster include production and distribution of seafood and associated products as well as provision of handling and storage services of seafood products. The average credit period on sales of goods and services is 0 to 60 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 120 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables for certain entities have been segmented based on credit period granted to customers. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Financial Services

The Financial Services cluster includes mainly revenue from insurance business. The average credit period on sale of services is 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 120 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. No segmentation has been done by the entities as the historical loss experience does not show significantly different loss patterns for different customer segments. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Property

Revenue from Property cluster includes mainly property management, real estate development and income from rental of properties. The average credit period on sale of services ranges from 0 to 30 days. Management considers trade receivables to be in default when contractual payments are past due for 90 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition. Trade receivables have been segmented between related and non related for some entities. The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Hospitality & Services

This cluster provides hospitality services to its clients. Trade receivables are not secured, non interest-bearing and are generally on 30 days term. Impairment of receivables have been assessed on an individual basis and also on a collective basis under the 'Expected Credit Loss' model. The Group has subscribed to a credit protection scheme for its trade receivables with a Global Service Provider, with a view to minimise its credit risk exposure. Bad debts written off relate to individual debtor balances which have been impaired during the year and which were not previously provided for.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2021 and 30 June 2020:

**THE GROUP**

At 30 June 2021	Not past due	Number of days past due									Total
		< 30	31 - 60	61 - 90	91 - 120	121 - 150	151 - 180	181 - 270	271 - 360	> 360	
Expected credit loss rate (%)	0.08 - 4.74	0.20 - 8.0	0.39 - 13.16	0.47 - 18.70	0.54 - 34.53	0.82 - 64.78	8.15 - 100	15.56 - 100	36.89 - 100	100	
Expected total gross carrying amount at default (Rs'000)	1,338,283	825,856	388,124	294,536	195,087	159,846	109,439	122,592	36,148	609,761	4,079,672
Lifetime ECL (Rs'000)	(11,304)	(9,600)	(7,495)	(9,546)	(12,714)	(20,223)	(21,800)	(26,261)	(17,704)	(609,760)	(746,407)
<b>At 30 June 2020</b>											
Expected credit loss rate (%)	0.02 - 1.7	0.03 - 2.23	0.08 - 12.51	0.2 - 19.85	0.28 - 33.7	0.4 - 46.53	0.55 - 68.95	7.02 - 96.23	28.66 - 59.89	100	
Expected total gross carrying amount at default (Rs'000)	1,058,894	670,703	289,239	301,845	564,342	213,679	36,484	235,056	55,337	267,012	3,692,591
Lifetime ECL (Rs'000)	(39,252)	(29,421)	(19,648)	(28,899)	(84,841)	(104,573)	(23,840)	(173,927)	(47,296)	(267,012)	(818,709)

**THE COMPANY**

At 30 June 2021	Not past due	Number of days past due									Total
		< 30	31 - 60	61 - 90	91 - 120	121 - 150	151 - 180	181 - 270	271 - 360	> 360	
Expected credit loss rate (%)	0.08 - 4.74	0.20 - 8.0	0.39 - 13.16	0.47 - 18.70	0.54 - 34.53	0.82 - 64.78	8.15 - 100	15.56 - 100	36.89 - 100	100	
Expected total gross carrying amount at default (Rs'000)	502,025	196,805	64,689	79,558	102,019	26,835	87,800	4,975	4,108	13,438	1,082,252
Lifetime ECL (Rs'000)	(29,822)	(1,918)	(336)	(1,240)	(993)	(1,483)	(5,238)	(2,425)	(2,284)	(12,800)	(58,539)
<b>At 30 June 2020</b>											
Expected credit loss rate (%)	0.02 - 1.7	0.03 - 2.23	0.08 - 12.51	0.2 - 19.85	0.28 - 33.7	0.4 - 46.53	0.55 - 68.95	7.02 - 100	28.66 - 100	100	
Expected total gross carrying amount at default (Rs'000)	209,053	288,916	23,057	32,914	10,787	23,919	31,719	3,124	5,000	18,923	647,412
Lifetime ECL (Rs'000)	(13,855)	(10,941)	(2,508)	(3,618)	(2,197)	(7,925)	(31,719)	(3,124)	(5,000)	(18,923)	(99,810)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2021 and 30 June 2020 per industry groups:

**THE GROUP**

	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 30 June 2021</b>											
Expected total gross carrying amount at default	835,739	2,534,240	686,866	492,991	63,089	280,582	84,898	165,038	214,868	(1,278,639)	4,079,672
Lifetime ECL	(128,244)	(391,488)	(55,069)	(177,007)	(97)	(18,891)	(26,084)	-	(8,884)	59,357	(746,407)
<b>At 30 June 2020</b>											
Expected total gross carrying amount at default	690,581	2,072,540	740,170	578,667	34,415	244,068	100,594	207,920	6,902	(983,266)	3,692,591
Lifetime ECL	(135,071)	(377,829)	(94,705)	(201,265)	(361)	(25,832)	(62,799)	-	-	79,153	(818,709)

**THE COMPANY**

	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 30 June 2021</b>											
Expected total gross carrying amount at default	-	875,809	-	-	-	7,200	-	-	199,243	-	1,082,252
Lifetime ECL	-	(47,321)	-	-	-	(2,334)	-	-	(8,884)	-	(58,539)
<b>At 30 June 2020</b>											
Expected total gross carrying amount at default	-	496,257	-	-	-	6,134	-	-	145,021	-	647,412
Lifetime ECL	-	(55,259)	-	-	-	(2,330)	-	-	(42,221)	-	(99,810)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

## (a) Trade receivables (continued)

The table below details the expected credit losses based on credit risk concentration by industry group:

	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL
	2021	2021	2020	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>THE GROUP</b>				
Agriculture and fishing	221,231	(4,369)	244,197	(4,139)
Manufacturing	379,977	(17,411)	212,323	(15,146)
Tourism	676,255	(190,296)	800,589	(212,812)
Transport	114,874	(7,957)	33,425	(8,384)
Construction	475,652	(69,198)	413,821	(90,036)
Financial and business services	171,218	(4,407)	139,408	(4,549)
Traders	1,239,716	(212,324)	1,443,552	(310,311)
Personal	60,006	(2,805)	35,006	(7,808)
Professional	73,874	(10,046)	215,585	(64)
Foreign governments	40,003	(1,169)	18,566	(446)
GBL Holders	253,061	(46,511)	249,526	(48,270)
Others	1,652,444	(239,271)	869,859	(195,897)
Consolidation adjustments	(1,278,639)	59,357	(983,266)	79,153
<b>Total</b>	<b>4,079,672</b>	<b>(746,407)</b>	<b>3,692,591</b>	<b>(818,709)</b>

	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL
	2021	2021	2020	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>THE COMPANY</b>				
Manufacturing	57,716	(2,871)	34,324	(10,707)
Tourism	43,549	(1,926)	45,010	(503)
Transport	70,274	(2,043)	4,897	(663)
Construction	457	(36)	838	(1,516)
Financial and business services	767	(183)	3,495	(153)
Traders	528,256	(14,897)	295,029	(19,970)
GBL Holders	11,875	(476)	-	-
Others	369,358	(36,107)	263,819	(66,298)
<b>Total</b>	<b>1,082,252</b>	<b>(58,539)</b>	<b>647,412</b>	<b>(99,810)</b>

During the previous year, the Group had updated its provision matrix model to include an overlay debtors in specific industry group to cater for the impact of the economic uncertainty of COVID-19 pandemic. The different industries had been classified depending on their risk categories and an overlay had been determined by management for each industry group to the extent that they were exposed to the negative impact of the pandemic.

Receivable balance falling under the industry of agriculture, financial services, traders, foreign governmental bodies amongst others were classified as low risk entities and had no overlay applied to the provision matrix. On the other hand, receivable balance falling in the manufacturing and logistics (including the aviation sector) were classified as medium risk and had an overlay of 2% applied to the provision matrix.

Receivable balance falling in the hospitality and the building and engineering were classified as high risk and had an overlay of 10% applied to the provision matrix.

The expected loss rates were based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The reflection of forward-looking information did not have a significant impact on the loss rates.

In this financial year, the Group has updated its provisioning model to exclude the overlay on the debtors in specific industry to cater for the collection experience in the current economic condition. More measures were put in place by management to ensure better cash collections, particularly those subsidiaries which were highly impacted by the COVID-19 pandemic.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

## (a) Trade receivables (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

<b>THE GROUP</b>	Collectively assessed	Individually assessed	Total
	Rs'000	Rs'000	Rs'000
At 1 July 2019	145,306	424,506	569,812
Increase/(decrease) in loss allowance	349,810	(70,787)	279,023
Transfer to assets held for sale (Note (i))	(9,804)	-	(9,804)
Acquisition of subsidiaries	905	-	905
Amounts written off	(28,505)	(11,211)	(39,716)
Amounts recovered during the year	(5,840)	(4,109)	(9,949)
Foreign exchange gains and losses	5,003	23,435	28,438
<b>At 30 June 2020</b>	<b>456,875</b>	<b>361,834</b>	<b>818,709</b>
At 1 July 2020	456,875	361,834	818,709
Increase/(decrease) in loss allowance	12,326	(85,254)	(72,928)
Acquisition of subsidiaries	123	-	123
Disposal of subsidiary (Notes (ii) and 38(b))	(2,383)	-	(2,383)
Amounts written off	(13,151)	(7,881)	(21,032)
Amounts recovered during the year	(30)	(5,788)	(5,818)
Foreign exchange gains and losses	5,873	23,863	29,736
<b>At 30 June 2021</b>	<b>459,633</b>	<b>286,774</b>	<b>746,407</b>

(i) The amount transferred to assets held for sale relates to Le Recif SAS, which was classified as held for sale in financial year ended 30 June 2020.

(ii) The disposal of subsidiary relates to SALT Hospitality Ltd was derecognised as a result of a voluntary administration during the reporting year.

<b>THE COMPANY</b>	Collectively assessed	Individually assessed	Total
	Rs'000	Rs'000	Rs'000
At 1 July 2019	10,756	48,241	58,997
Increase/(decrease) in loss allowance	88,879	(48,066)	40,813
At 30 June 2020	99,635	175	99,810
At 1 July 2020	99,635	175	99,810
Increase/(decrease) in loss allowance	(50,640)	41,121	(9,519)
Amounts written off	(26,000)	-	(26,000)
Amounts recovered during the year	-	(5,752)	(5,752)
<b>At 30 June 2021</b>	<b>22,995</b>	<b>35,544</b>	<b>58,539</b>

## (b) Other receivables

The Group and the Company have determined lifetime expected credit loss on other receivables based on expected recovery of the related debts. Set out below is the movement in the loss allowance in accordance with IFRS 9:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At 1 July 2019	5,284	5,284
Increase/(decrease) in loss allowance	3,441	(5,284)
At 30 June 2020	8,725	-
At 1 July 2020	8,725	-
Increase in loss allowance	10,915	16,476
Amounts recovered during the year	(2,270)	-
Foreign exchange losses	94	-
<b>At 30 June 2021</b>	<b>17,464</b>	<b>16,476</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 19. DIVIDENDS

On 3 November 2020, the Board of Directors declared an interim dividend of Rs 0.11 per share (2020: Rs 0.22 per share) which was paid on 30 December 2020. On 18 June 2021 a final dividend of Rs 0.33 per share (2020: Rs 0.39 per share) was declared and paid on 15 July 2021. The total dividends declared for the year amounted to Rs 299.3 million (2020: Rs 414.9 million). During the year, subsidiaries declared a dividend amount of Rs 337.8 million (2020: Rs 328.1 million) to their non-controlling interests. The Group and the Company have dividend payable of Rs 320.8 million (2020: Rs 353.8 million) and Rs 224.5 million (2020: Rs 265.2 million) at year end respectively.

## 20. (a) STATED CAPITAL

The Group and the Company

	2021	2020
	Rs'000	Rs'000
Issued and fully paid		
At 30 June 2021: 680,224,040 ordinary shares of no par value (2020: 680,224,040 ordinary shares of no par value)	1,361,941	1,361,941

Each share confers to its holder the right to vote and a proportional right to dividends and to the distribution of the surplus assets of the Company upon winding up.

## (b) RESTRICTED REDEEMABLE SHARES

The Group and the Company

1,510,666,650 Restricted Redeemable Shares (RRS) of no par value amounting to Rs 5 million were in issue on 30 June 2020 and 2021.

Each RRS confers to the holder the right to vote at general meetings and right to participate in a rights issue together with the holders of the ordinary shares. The RRS holders have no right to dividends or distribution of any surplus of the Company in case of winding up. The RRS are redeemable at the option of the Company and at no proceeds.

## (c) CONVERTIBLE BONDS

The Group

During the financial year ended 30 June 2021 one of the subsidiaries of the Group, Lux Island Resorts Ltd ("LIR"), has contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius to issue redeemable convertible bonds for a total amount of Rs 1 billion comprising of 100 bonds of Rs 10 million each. Subsequently, both parties mutually agreed to an amended financing of Rs 920 million (92 bonds).

The main objective of the MIC is to provide financial support to companies impacted by the COVID-19 pandemic and in particular to the tourism sector which had the worst impact due to the full border closure. The MIC support is in the form of redeemable convertible bonds to companies which required urgent working capital to sustain its viability.

LIR issued 75 (in two tranches of 45 and 30 each) 3% convertible bonds in favour of MIC as at 30 June 2021. The last tranche of Rs 170 million (17 convertible bonds) will be subscribed in November 2021.

The key terms and conditions of the funding arrangements from the MIC are as follows:

- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds.
- The conversion has been pre-determined prior to the subscription.
- An interest rate of 3% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

The conversion price of the convertible bonds has been set to Rs 33.52.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets held for sale and discontinued operations for the year ended 30 June 2021

## (a) PL Resort Ltd

The Company has been classified as held for sale during the current financial year as a binding offer has been signed since April 2021 with an external foreign third party. The sale is expected to be completed in September 2021.

The assets and liabilities classified as held for sale in relation to the Group are as follows:

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
<i>Assets</i>		
Property, plant and equipment (Note 4)	362,426	-
Investment property (Note 5)	-	211
Intangible assets	79,389	11,519
Right of use assets	11,519	2,898
Deferred tax asset	458	13,835
Inventories		
Trade and other receivables		
Cash and cash equivalents		
<b>Assets classified as held for sale</b>	<b>470,736</b>	
<i>Liabilities</i>		
Borrowings (Notes (a) and 22)	372,073	-
Employee benefit liabilities	-	-
Deferred tax liabilities	-	7,852
Trade and other payables		
<b>Liabilities associated with assets classified as held for sale</b>	<b>379,925</b>	

The results for the year ended 30 June 2021 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Revenue (Note 29)	51,223	168,766
Cost of sales	(43,085)	(77,961)
<b>Gross profit</b>	<b>8,138</b>	<b>90,805</b>
Other income (Note 30)	32,571	6,377
Administrative expenses	(37,215)	(101,585)
<b>Operating profit/(loss)</b>	<b>3,494</b>	<b>(4,403)</b>
Finance costs (Note 32)	(19,033)	(31,623)
Other gains and losses (Notes (b) and 33)	-	-
<b>Loss before tax</b>	<b>(15,539)</b>	<b>(36,026)</b>
Tax expense (Note 26(b))	16,584	785
<b>Profit/(loss) for the year from discontinued operations</b>	<b>1,045</b>	<b>(35,241)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Assets held for sale and discontinued operations for the year ended 30 June 2021

## (b) United Granite Products (Private) Limited ("UGPL")

The Group has the intention to sell its Sri Lankan subsidiary, UGPL and has initiated an active program to locate a buyer since June 2021. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position.

The assets and liabilities classified as held for sale in relation to the Group are as follows:

	THE GROUP	
	2021	
	Rs'000	
<i>Assets</i>		
Property, plant and equipment (Note 4)	45,440	
Investment property (Note 5)	-	
Intangible assets	-	
Right of use assets	-	
Deferred tax asset	-	
Inventories	11,188	
Trade and other receivables	12,571	
Cash and cash equivalents	-	
<b>Assets classified as held for sale</b>	<b>69,199</b>	
<i>Liabilities</i>		
Borrowings (Notes (a) and 22)	1,411	
Employee benefit liabilities	-	
Deferred tax liabilities	-	
Trade and other payables	9,150	
<b>Liabilities associated with assets classified as held for sale</b>	<b>10,561</b>	

The results for the year ended 30 June 2021 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Revenue (Note 29)	45,296	21,859
Cost of sales	(36,746)	(32,416)
<b>Gross profit</b>	<b>8,550</b>	<b>(10,557)</b>
Other income (Note 30)	-	-
Administrative expenses	(14,610)	-
<b>Operating loss</b>	<b>(6,060)</b>	<b>(10,557)</b>
Finance costs (Note 32)	(14)	(13)
Other gains and losses (Notes (b) and 33)	-	-
<b>Loss before tax</b>	<b>(6,074)</b>	<b>(10,570)</b>
Tax expense (Note 26(b))	-	-
<b>Loss for the year from discontinued operations</b>	<b>(6,074)</b>	<b>(10,570)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Assets held for sale and discontinued operations for the year ended 30 June 2021

## (c) SALT Hospitality Ltd ("SHL")

SHL entered into a voluntary administration in February 2021. Consequently, the Group lost control over the activities of SHL. The Group has accounted for the results of SHL under discontinued operations, recognised liabilities and guarantees given on behalf of SHL and have deconsolidated the statement of financial position of SHL when control was lost.

The results for the year ended 30 June 2021 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Revenue (Note 29)	30,134	121,092
Cost of sales	(10,164)	(23,148)
<b>Gross profit</b>	<b>19,970</b>	<b>97,944</b>
Other income (Note 30)	12,928	25,448
Administrative expenses	(59,877)	(146,119)
<b>Operating loss</b>	<b>(26,979)</b>	<b>(22,727)</b>
Finance costs (Note 32)	(15,314)	(24,364)
Other gains and losses (Notes (b) and 33)	-	-
<b>Loss before tax</b>	<b>(42,293)</b>	<b>(47,091)</b>
Tax expense (Note 26(b))	-	-
<b>Loss for the year from discontinued operations</b>	<b>(42,293)</b>	<b>(47,091)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Assets held for sale and discontinued operations for the year ended 30 June 2021

## (d) Reefer Operations (BVI) Limited ("ROLBVI")

On 01 July 2020, the Board of Directors of ROLBVI decided to cease its operations and decided to dispose of its shipping vessel amounting to Rs 188 million. The sale was concluded in December 2020 and ROLBVI is in the process of winding up.

The assets classified as held for sale in relation to the Group are as follows:

	THE GROUP
	2021
	Rs'000
Assets	
Cash and cash equivalents	130,692
Assets classified as held for sale	130,692

The results for the year ended 30 June 2021 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
Revenue (Note 29)	7,884	113,639
Cost of sales	-	-
<b>Gross profit</b>	<b>7,884</b>	<b>113,639</b>
Other income (Note 30)	5,230	2,046
Administrative expenses	(69,610)	(90,698)
<b>Operating (loss)/profit</b>	<b>(56,496)</b>	<b>24,987</b>
Finance costs (Note 32)	14	(21)
Other gains and losses (Notes (b) and 33)	(60,888)	-
<b>Loss before tax</b>	<b>(117,370)</b>	<b>24,966</b>
Tax expense (Note 26(b))	(2,076)	-
<b>(Loss)/profit for the year from discontinued operations</b>	<b>(119,446)</b>	<b>24,966</b>

Assets held for sale and discontinued operations for the year ended 30 June 2021

## (e) Bare Land in the books of Circle Square Holding Co Ltd ("CSHL")

CSHL owns bare land at Forbach and the Circle Square Retail Park. As at reporting date, the investment properties of CSHL has been classified as held for sale amounting to Rs 109 million. The investment properties of CSHL, which were held for sale since the past two years, have been partly sold during the reporting year ended 30 June 2021. The sale of 3 plots have been completed and a fourth plot has been sold in August 2021. The remaining plots are expected to be sold by end of 2021 calendar year. During the reporting year, CSHL has also repaid all of its loan balances.

## (f) Bare Land in the books of Aquatic Proteins Products Limited ("APPL")

APPL owns bare land in the state of Kerala in India. On 01 July 2020, the Board of Directors of APPL has decided to discontinue its operations in India and has been looking for a buyer to dispose of the bare land. The bare land was transferred from property, plant & equipment amounting to Rs 145 million to assets held for sale. At the reporting date, the land was valued at the lower of fair value and its carrying value and an impairment loss of Rs 86 million was provided in view of current market conditions in India. The carrying value of the bare land at the reporting date was Rs 58 million.

## (g) Manser Saxon Dubai LLC ("MSD")

MSD was classified as a discontinued operation during the year ended 30 June 2020 and is still being classified as a discontinued operations in the reporting year ended 30 June 2021. A potential buyer has already been identified and a sale price has already been agreed. The sale is not yet completed as at year end because of events not within the Group's control. MSD incurred administrative expenses amounting to Rs 56 million (2020:Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

Assets held for sale and discontinued operations for the year ended 30 June 2020

The assets and liabilities classified as held for sale in relation to the Group are as follows:

	THE GROUP
	2020
	Rs'000
Assets	
Property, plant and equipment (Note 4)	318,395
Investment property (Note 5)	384,294
Intangible assets	38,851
Right of use assets	-
Deferred tax asset	25,294
Inventories	2,384
Trade and other receivables	47,634
Cash and cash equivalents	104,666
Assets classified as held for sale	921,518
Liabilities	
Borrowings (Notes (a) and 22)	308,538
Employee benefit liabilities	4,200
Deferred tax liabilities	15,067
Trade and other payables	114,051
Liabilities associated with assets classified as held for sale	441,856

The results for the year ended 30 June 2021 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP
	2020
	Rs'000
Revenue (Note 29)	614,936
Cost of sales	(283,893)
<b>Gross profit</b>	<b>331,043</b>
Other income (Note 30)	39,677
Administrative expenses	(392,054)
<b>Operating loss</b>	<b>(21,334)</b>
Finance costs (Note 32)	(70,245)
Other gains and losses (Notes (b) and 33)	2,588
<b>Loss before tax</b>	<b>(88,991)</b>
Tax expense (Note 26(b))	(1,069)
<b>Loss for the year from discontinued operations</b>	<b>(90,060)</b>

Other gains and losses is the fair value gain on the investment property held by CSHL.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 22. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Within one year</b>				
Secured bank overdrafts	988,477	1,157,467	-	-
Unsecured bank overdrafts	1,387,174	2,595,435	1,366,297	2,553,259
Secured bank loans	1,958,646	3,660,315	1,232	53,702
Unsecured borrowings	55,500	243,287	-	-
Bonds secured by floating charges	36,041	335,191	31,612	314,338
<b>Borrowings - Current</b>	<b>4,425,838</b>	<b>7,991,695</b>	<b>1,399,141</b>	<b>2,921,299</b>
<b>After one year and before two years</b>				
Secured bank loans	2,642,004	1,001,124	1,000,000	-
Deposits from customers	-	-	84,594	-
Bonds secured by floating charges	1,000,000	-	1,000,000	-
	<b>3,642,004</b>	<b>1,001,124</b>	<b>2,084,594</b>	<b>-</b>
<b>After two years and before five years</b>				
Secured bank loans	3,840,526	3,694,650	-	1,000,000
Bonds secured by floating charges	3,000,000	4,000,000	3,000,000	4,000,000
	<b>6,840,526</b>	<b>7,694,650</b>	<b>3,000,000</b>	<b>5,000,000</b>
<b>After five years</b>				
Secured bank loans	2,202,513	1,029,327	-	-
Unsecured borrowings	3,474	1,041	-	-
Bonds secured by floating charges	7,005,000	3,961,000	5,000,000	2,000,000
	<b>9,210,987</b>	<b>4,991,368</b>	<b>5,000,000</b>	<b>2,000,000</b>
<b>Borrowings - Non-current</b>	<b>19,693,517</b>	<b>13,687,142</b>	<b>10,084,594</b>	<b>7,000,000</b>
<b>Total borrowings</b>	<b>24,119,355</b>	<b>21,678,837</b>	<b>11,483,735</b>	<b>9,921,299</b>

(b) Secured bank overdraft and bank loans

The bank overdrafts and bank loans are secured by fixed and floating charges on the assets of the Group and of the Company.

Bank covenants

During the reporting year ended 30 June 2021, there has been no breach of bank covenants.

During the year ended 30 June 2020, the financial performance of one of the subsidiaries had been impacted significantly by the COVID-19 pandemic and it was not able to satisfy its financial covenants (gearing ratio and interest cover) on its secured bank loans. This represented a breach of contract as per the loan agreements and the bank had the right to claim back the whole amount due with respect of these covenants. As a consequence of a breach of these loans, the Group had reclassified Rs 1.24 billion of capital portion of loan payable after more than one year to current liabilities.

The subsidiary has successfully renegotiated the repayment terms with the banks subsequent to the year end for the majority of its loans. These loans were still in current liabilities as at 30 June 2021 and will be reclassified to non-current liabilities in quarter one of the financial year ended 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 22. BORROWINGS (CONTINUED)

(c) Bonds and Multicurrency notes

Bonds

The Company had issued bonds for an amount of Rs 834 million. These bonds are guaranteed by floating charges on the Company's assets and are repayable at maturity ranging over 3, 5 and 7 years. Interest is payable semi-annually and includes both fixed and variable rates. The Company has repaid Rs 350 million and Rs 200 million during the year ended 30 June 2017 and 30 June 2019 respectively; which are based on the maturity period of 3 and 5 years respectively. The remaining Rs 284 million has been repaid on 16 October 2020.

Multicurrency notes

The Company has set up a multicurrency medium term secured and unsecured note programme of up to an aggregate nominal of Rs 10 billion.

In September 2017, the Company issued the first series of notes, in 5 tranches for an aggregate nominal amount of Rs 3 billion (in Mauritian Rupees) which are secured by floating charges on the assets of the Company. Tenor period ranges from 2 to 7 years and interest is payable semi-annually at both fixed and floating rates. The Notes issued under Tranches 2 to 5 aggregating to Rs 2 billion are listed on the Stock Exchange of Mauritius and the fair value of these notes at 30 June 2021 amounted to Rs 1.99 billion (2020: Rs 2.01 billion). The Notes issued under Tranches 1 to 5 are accounted at amortised costs.

The Series 1/Tranche 1 for an amount of MUR 1 billion over a 2-year tenor were repaid on 13 September 2019.

On 27 September 2019, the Company issued the Second Series of notes, in 4 tranches for an aggregate nominal amount of Rs 4 billion which are secured by floating charges on the assets of the Company. Tenor period ranges from 5 to 7 years and interest is payable semi-annually at both fixed and floating rates. The Notes issued under Series 2 are accounted for at amortised costs. The fair value of these notes on 30 June 2021 amounted to Rs 3.78 billion (2020: Rs 3.25 billion).

On 17 June 2021, the Company has issued a Third Series of notes in 5 tranches for an aggregate nominal amount of Rs 3 billion with tenors ranging from 7 to 15 years. The Notes are secured by floating charges on the assets of the Company. The notes were issued under private placement to sophisticated investors and accounted for at amortised costs. The proceeds of the Third issue will be used to refinance the Company's existing short-term debts and for future financing investment. The fair value of these notes on 30 June 2021 amounted to Rs 2.99 billion.

(d) The effective interest rate on borrowings are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Secured borrowings	3.00% - 7.70%	0.15% - 9.25%	4.50%	3.85% - 4.50%
	PLR + (6.10% - 7.30%)	PLR + (0% - 5.75%)	-	-
	LIBOR + (2.00% - 4.00%)	LIBOR + (1.25% - 5.00%)	-	-
	EURIBOR + (1.22% - 4.50%)	EURIBOR + (3.00% - 4.50%)	-	-
	PLR - (0.25% - 1.3%)	EURIBOR - 3.75%	-	-
	PLR + (0.25% - 5.00%)	Repo + 1.75%	-	-
	-	SBM PLR - 0.85%	-	-
Unsecured borrowings	3.40% - 7.00%	1% - 11.25%	4.00% - 6.85%	1.00% - 4.75%
	EURIBOR 2.05%	LIBOR + (1% - 2.75%)	EURIBOR + 2.05%	LIBOR + (1% - 2.75%)
	LIBOR 2.50%	EURIBOR + (1% - 2.75%)	LIBOR + 2.50%	EURIBOR + (1% - 2.75%)
	-	PLR - 0.25%	-	-
Bonds and Notes	4.00% - 5.50%	4.50% - 6.48%	4.00% - 5.50%	4.50% - 6.48%
	Repo + (0.75% - 2.05%)	Repo + (0.75% - 1.65%)	Repo + (0.75% - 2.05%)	Repo + (0.75% - 1.65%)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 22. BORROWINGS (CONTINUED)

## (e) Reconciliation of liabilities arising from financing activities

The table details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in cash flows from financing activities in the statement of cash flows. In accordance with the transitional guidance, no comparatives have been presented.

## THE GROUP

	At 1 July Rs'000	Transferred to lease liabilities IFRS 16 Rs'000 (Note 16)	Financing cash flows Rs'000 (Note (v))	Non-cash changes						At 30 June Rs'000	
				Acquisition of subsidiaries Rs'000 (Note 38(a))	Disposal of subsidiaries Rs'000 (Note (i) and 38(b))	Cash flow hedge Rs'000 (Note (ii) and 37(a))	Leases Rs'000	Exchange differences Rs'000	Held for sale Rs'000 (Notes (iii) and 21)		Others Rs'000 (Note (iv))
<b>2021</b>											
Bank loans	9,385,411	-	802,825	-	(75,851)	352,843	-	145,673	16,039	16,749	<b>10,643,689</b>
Other borrowings	244,329	-	(42,487)	-	-	-	-	1,439	(162,925)	18,617	<b>58,973</b>
Bonds and debentures	8,296,196	-	2,706,973	-	-	-	-	1,835	-	36,038	<b>11,041,042</b>
Dividend payable	353,837	-	(670,096)	-	-	-	-	-	-	637,073	<b>320,814</b>
Lease liabilities	4,652,050	-	(430,149)	4,371	(309,236)	-	188,732	479,406	-	-	<b>4,585,174</b>
	<b>22,931,823</b>	-	<b>2,367,066</b>	<b>4,371</b>	<b>(385,087)</b>	<b>352,843</b>	<b>188,732</b>	<b>628,353</b>	<b>(146,886)</b>	<b>708,477</b>	<b>26,649,692</b>
<b>2020</b>											
Bank loans	8,764,835	-	413,025	-	-	168,082	-	152,678	(113,209)	-	9,385,411
Other borrowings	275,086	-	(31,242)	-	-	-	-	485	-	-	244,329
Bonds and debentures	5,094,906	-	2,945,628	-	-	-	-	1,464	-	254,198	8,296,196
Dividend payable	74,088	-	(463,312)	-	-	-	-	-	-	743,061	353,837
Lease liabilities	-	284,012	(415,700)	-	-	-	4,526,406	257,332	-	-	4,652,050
Finance lease	284,012	(284,012)	-	-	-	-	-	-	-	-	-
	<b>14,492,927</b>	-	<b>2,448,399</b>	-	-	<b>168,082</b>	<b>4,526,406</b>	<b>411,959</b>	<b>(113,209)</b>	<b>997,259</b>	<b>22,931,823</b>

## THE COMPANY

	At 1 July Rs'000	Transferred to lease liabilities IFRS 16 Rs'000 (Note 16)	Financing cash flows Rs'000 (Note (v))	Non-cash changes						At 30 June Rs'000	
				Acquisition of subsidiaries Rs'000 (Note 38(a))	Disposal of subsidiaries Rs'000 (Note 38(b))	Cash flow hedge Rs'000	Leases Rs'000	Exchange differences Rs'000	Held for sale Rs'000 (Notes 21)		Others Rs'000 (Note (iv))
<b>2021</b>											
Bank loans	1,053,695	-	(53,703)	-	-	-	-	-	-	1,241	<b>1,001,233</b>
Other borrowings	-	-	84,594	-	-	-	-	-	-	-	<b>84,594</b>
Bonds	6,314,337	-	2,677,946	-	-	-	-	-	-	39,328	<b>9,031,611</b>
Dividend payable	265,287	-	(340,112)	-	-	-	-	-	-	299,299	<b>224,474</b>
Lease liabilities	66,292	-	(21,613)	-	-	-	32,204	-	-	-	<b>76,883</b>
	<b>7,699,611</b>	-	<b>2,347,112</b>	-	-	-	<b>32,204</b>	-	-	<b>339,868</b>	<b>10,418,795</b>
<b>2020</b>											
Bank loans	1,159,470	-	(109,149)	-	-	-	-	-	-	3,374	1,053,695
Other borrowings	-	-	-	-	-	-	-	-	-	-	-
Bonds	3,329,180	-	2,988,532	-	-	-	-	-	-	30,338	6,348,050
Dividend payable	-	-	(149,649)	-	-	-	-	-	-	414,937	265,288
Lease liabilities	-	11,009	(16,597)	-	-	-	71,880	-	-	-	66,292
Finance lease	11,009	(11,009)	-	-	-	-	-	-	-	-	-
	<b>4,499,659</b>	-	<b>2,713,137</b>	-	-	-	<b>71,880</b>	-	-	<b>448,649</b>	<b>7,733,325</b>

- (i) During the reporting year 30 June 2021, SALT Hospitality Ltd entered into voluntary administration and had borrowings amounting to Rs 75 million and lease liabilities of Rs 309 million at that date.
- (ii) Cash flow hedge reserve is used to record the exchange differences arising on the Euro, GBP and USD loans taken by the Group. The hedging of those loans are done with the inflows of revenue by the Group in the same currency. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EURO at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

- (iii) The Circle Square Holding Co Ltd (CSHL) was classified as held for sale in the year ended 30 June 2018 and continued to be classified as at 30 June 2020 and has repaid all its loan balances in the current reporting period. During the reporting year 30 June 2021, PL Resorts Ltd was classified as held for sale and had a bank loan and borrowings balance of Rs 179 million and Rs 163 million respectively.
- (iv) Others include non-cash transactions such as dividend declaration during the year and interests accrued but not yet paid on interest-bearing loans and borrowings. The Group classifies interests paid as cash flows from operating activities.
- (v) Cash flows from financing exclude Convertible bonds issued amounting to Rs 744 million, interest paid on convertible bond amounting to Rs 4 million and shares issued to non-controlling shareholders amounting to Rs 182 million from the net cash flows from financing activities in the statement of cash flows.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Long term incentive scheme (Note (a))	164,945	126,633	102,275	78,562
Provision for financial guarantees (Note (b))	78,263	-	40,000	-
	<b>243,208</b>	126,633	<b>142,275</b>	78,562

- (a) IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value within the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at the end of the third year from the allocation date up to the fifth year.

- (b) SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. Financial guarantees provision has been provided in respect of SHL for corporate guarantees given to banks and creditors. Refer to Note 35.

The Group provision for financial guarantees are with financial institutions amounting to Rs 71 million and unsecured creditors amounting to Rs 7 million. As per Moody's credit ratings, Rs 63 million are with financial institution having Baa3 credit ratings and Rs 8 million with financial institutions that are unrated.

The Company provision for financial guarantees are with financial institutions amounting to Rs 40 million having Baa3 credit ratings as per Moody's credit ratings.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT AND RELATED (ASSETS)/LIABILITIES

## THE GROUP

The Group's pension fund comprise both final salary defined benefit plans and defined contribution plans. The pension fund, namely IBL Pension Fund, is operational since 1 July 2002 for the majority of the employees of the Group. Pension Consultants and Administrators Ltd is responsible for the management of this fund. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement.

The Company operates a group defined benefit plan as the legal sponsoring employer, which covers some current and former employees of the Company and its related parties. The plan is wholly funded and the risks are shared amongst all participants. The benefits to employees and pensioners are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

As at 30 June 2019, there was no contractual agreement or stated policy between the Company and its related parties for recharging the defined benefit costs and liabilities to them. Effective 1 July 2019, the Company has entered into an agreement to recharge pension costs and liabilities relating to current and former employees of the related parties to the latter. The Company has reflected this recharge in its results for the year and amounts recoverable from related parties in note (v).

The Group also has defined contribution plans for the Company and its subsidiaries. Furthermore, for one of the subsidiaries, some employees receive a guaranteed amount equal to a defined benefit scheme based on salary at retirement. The scheme is funded by the employer, through contributions to a fund administered separately for both year ended 30 June 2020 and 30 June 2021.

The unfunded portion of the obligation concern employees who are entitled to employee benefits payable under the "Worker's Rights Act 2019". This provides for a lump sum at retirement based on final salary and years of service.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2021 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk - The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk - If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Investment risk - The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk - If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Amounts recognised in the statements of financial position:</b>				
Employee benefit and related assets (Note (v))	(6,798)	(11,324)	(231,583)	(437,712)
Employee benefit under defined benefit plan (Note (i))	1,217,056	2,219,591	627,125	1,099,575
Employee benefit under The Worker's Rights Act 2019 (Note (ii))	877,040	992,188	102,721	103,085
	<b>2,094,096</b>	3,211,779	<b>729,846</b>	1,202,660

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(i) <b>Defined benefit plan</b>				
Employee benefit liabilities	1,217,056	2,219,591	627,125	1,099,575
	<b>1,217,056</b>	2,219,591	<b>627,125</b>	1,099,575
Present value of funded obligation	3,513,962	4,189,764	1,796,784	2,110,177
Fair value of plan assets	(2,296,906)	(1,970,173)	(1,169,659)	(1,010,602)
<b>Liability recognised in the statements of financial position</b>	<b>1,217,056</b>	2,219,591	<b>627,125</b>	1,099,575

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (i) Defined benefit plan (continued)

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At 1 July	2,219,591	1,161,356	1,099,575	682,355
Amount recognised in profit or loss	162,960	116,970	66,066	61,309
Amount recognised in other comprehensive income	(932,371)	1,141,124	(386,782)	510,784
Contributions and direct benefit paid	(233,124)	(199,859)	(151,734)	(154,873)
<b>At 30 June</b>	<b>1,217,056</b>	<b>2,219,591</b>	<b>627,125</b>	<b>1,099,575</b>

One of the plans, IBL Pension Fund ("IBLPF"), contained an Annuity Fund since its inception from which all pensioners were paid. All sponsoring employers accepted, at that time, the pooling of risk and inherent cross subsidies associated with this common Annuity Fund. The governing body of IBLPF, in agreement with the sponsoring employees, decided to allocate the assets and liabilities of the Annuity Fund to each respective employer effective 1 July 2018. Until that date, the Group had accounted for the Annuity Fund as if it were a defined contribution plan. The allocation of assets and liabilities from the Annuity Fund have been recognised during the current year with the excess of liabilities over assets recognised in profit or loss for the year.

Amounts recognised in:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<i>- Statements of profit or loss:</i>				
Current service cost	98,424	57,768	36,987	27,072
Net interest cost	64,536	59,202	29,079	34,237
Components of amount recognised in profit or loss	162,960	116,970	66,066	61,309
<i>- Statements of other comprehensive income:</i>				
Return on plan assets (excluding amounts included in net interest expense)	(197,528)	42,399	(71,929)	43,211
Actuarial (gain)/loss arising from changes in financial assumptions	(635,425)	916,496	(304,437)	508,555
Actuarial (gain)/loss arising from experience adjustments	(99,418)	182,229	(10,416)	(40,982)
Components of amount recognised in other comprehensive income	(932,371)	1,141,124	(386,782)	510,784
Total	(769,411)	1,258,094	(320,716)	572,093
Actual return on plan assets	256,473	144,129	101,155	11,365

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At 1 July	4,189,764	3,013,479	2,110,177	1,625,201
Current service cost	79,863	51,039	34,614	21,173
Interest cost	123,481	165,159	58,305	88,812
Benefits paid	(169,552)	(138,638)	(91,459)	(92,582)
Actuarial loss arising from experience adjustments	(99,418)	182,229	(10,416)	(40,982)
Actuarial loss arising from changes in financial assumptions	(635,425)	916,496	(304,437)	508,555
Transfer of liabilities from Annuity Fund	25,637	-	-	-
Employee's contribution	(388)	-	-	-
<b>At 30 June</b>	<b>3,513,962</b>	<b>4,189,764</b>	<b>1,796,784</b>	<b>2,110,177</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (i) Defined benefit plan (continued)

Movements in the present value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At 1 July	1,970,173	1,852,124	1,010,602	942,846
Interest income	58,945	105,957	29,226	54,575
Current service cost	(14,277)	-	-	-
Return on plan assets excluding interest income	197,528	38,172	71,929	(43,210)
Employer contributions	232,735	119,287	151,734	154,872
Scheme expenses	(1,009)	(2,182)	28	(2,359)
Cost of insuring risk benefits	(3,275)	(4,547)	(2,401)	(3,540)
Transfer from defined contribution reserve account	25,638	-	-	-
Benefits paid	(169,552)	(138,638)	(91,459)	(92,582)
<b>At 30 June</b>	<b>2,296,906</b>	<b>1,970,173</b>	<b>1,169,659</b>	<b>1,010,602</b>

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cash and cash equivalents	345,887	279,765	231,115	143,505
Equity investments categorised by industry type:				
- Local	718,407	500,424	254,620	256,693
- Foreign	559,052	490,573	377,008	251,640
Fixed interest instruments	665,993	683,650	306,916	350,679
Properties	7,567	15,761	-	8,085
Total market value of assets	2,296,906	1,970,173	1,169,659	1,010,602

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Discount rate	4.2%	2.8% - 4.1%	4.2%	3.3%
Future long term salary increase	2.0%	1.0% - 4.0%	2.0%	1.0%
Future pension increase	0%	0%	0%	0%
Average retirement age (ARA)	60 - 65 years	60 - 65 years	60 years	60 years

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (i) Defined benefit plan (continued)

## Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	620,446	242,231	306,163	238,852
Decrease in defined benefit obligation due to 1% increase in discount rate	511,448	193,517	250,451	196,897
Increase in defined benefit obligation due to 1% increase in salary	161,285	40,246	60,733	38,431
Decrease in defined benefit obligation due to 1% decrease in salary	151,975	33,418	55,541	35,232

## Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Company expects to make a contribution of Rs 127.5 million to the defined benefit plan during the year ending 30 June 2022 (2021: Rs 127.5 million).

The average duration of the defined benefit obligation at 30 June 2021 was between 9 and 23 years (2020: 7 and 23 years).

## (ii) Employee benefit under The Worker's Rights Act 2019

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Present value of unfunded obligations	877,040	992,188	102,721	103,085

## Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At 1 July	992,188	902,839	103,085	110,651
Acquisition of subsidiaries (Note 38(a))	4,090	-	-	-
Disposal of subsidiaries (Note 38(b))	(3,708)	-	-	-
Transfer to subsidiaries	-	-	-	(146)
Amount recognised in profit or loss	112,762	112,530	10,064	13,170
Amount recognised in other comprehensive income	(182,700)	37,227	(2,513)	(16,968)
Exchange difference	306	-	-	-
Employee benefit paid	(45,897)	(60,408)	(7,915)	(3,622)
<b>At 30 June</b>	<b>877,041</b>	<b>992,188</b>	<b>102,721</b>	<b>103,085</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (ii) Employee benefit under The Worker's Rights Act 2019 (continued)

## Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Current service cost	84,476	62,628	7,256	6,778
Past service cost	4,813	1,318	-	-
Settlement cost	(23)	-	-	-
Net interest cost	23,496	48,584	2,808	6,392
Components of amount recognised in profit or loss	112,762	112,530	10,064	13,170
<i>Remeasurement of the net defined benefit liability:</i>				
Actuarial (gain)/loss arising from experience adjustments	(25,818)	(56,836)	8,626	(20,839)
Actuarial (gain)/loss arising from changes in financial assumptions	(156,882)	94,063	(11,139)	3,871
Components of amount recognised in other comprehensive income	(182,700)	37,227	(2,513)	(16,968)
<b>At 30 June</b>	<b>(69,938)</b>	<b>149,757</b>	<b>7,551</b>	<b>(3,798)</b>

## Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At 1 July	992,188	902,839	103,085	110,651
Acquisition of subsidiaries (Note 38(a))	4,090	-	-	-
Transfer to subsidiaries	-	-	-	(146)
Current service cost	84,476	62,628	7,256	6,778
Settlement cost	(23)	-	-	-
Interest cost	23,496	48,584	2,808	6,392
Past service cost	4,813	1,318	-	-
Actuarial (gain)/loss arising from experience adjustments	(25,818)	(56,836)	8,626	(20,839)
Actuarial (gain)/loss arising from changes in financial assumptions	(156,882)	94,063	(11,165)	3,871
Retirement paid	(45,897)	(60,408)	(7,889)	(3,622)
Disposal of subsidiary	(3,708)	-	-	-
Exchange difference	306	-	-	-
<b>At 30 June</b>	<b>877,041</b>	<b>992,188</b>	<b>102,721</b>	<b>103,085</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (ii) Employee benefit under The Worker's Rights Act 2019 (continued)

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Discount rate	3.1% – 6.1%	2.1% – 3.7%	4.8%	2.9%
Future long term salary increase	2.0%	1.0%	2.0%	1.0%

## Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	146,656	118,656	19,659	14,782
Decrease in defined benefit obligation due to 1% increase in discount rate	111,451	108,831	16,599	12,530
Increase in defined benefit obligation due to 1% increase in salary	145,757	120,991	17,729	14,358
Decrease in defined benefit obligation due to 1% decrease in salary	114,533	108,223	15,179	12,316

## (iii) Defined contribution plans

	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Contributions for the defined contribution plans	188,835	276,765	23,791	24,100

## (iv) State pension plan

	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
National Pension Scheme contribution expensed	102,887	140,961	15,565	8,410

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

## (v) Amount recoverable from related parties

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Amount recoverable from related parties	6,798	11,324	231,583	437,712
<i>Recharged through profit and loss:</i>				
Defined benefits liabilities on 1 July 2019	-	6,427	-	248,251
Service and interest costs for the year	945	373	24,511	13,922
<i>Recharged through Other Comprehensive Income:</i>				
Actuarial loss from changes in financial assumptions	(4,200)	4,524	(181,530)	175,539
	(3,255)	11,324	(157,019)	437,712

The amount recoverable from related parties represents the following deficit in the defined benefit pension plan operated by the Company.

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Present value of defined benefit obligations being recharged</b>				
Present value of defined benefit obligations at 1 July	19,495	14,772	759,106	579,954
Current service cost	605	419	12,077	11,422
Interest cost	542	797	20,896	30,163
Actuarial losses	(1,720)	3,507	(125,603)	144,654
Benefits paid	(313)	-	(26,913)	(7,087)
Present value of defined benefit obligations recharged at 30 June	18,609	19,495	639,563	759,106

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Plan assets funding defined benefit pension plan</b>				
Fair value of plan assets funded at 1 July	(8,171)	(8,345)	(321,394)	(331,703)
Interest income	(242)	(498)	(9,311)	(19,027)
Employer's contribution	(1,271)	(455)	(49,110)	(11,199)
Scheme expenses	(8)	53	(169)	1,468
Cost of insuring risk benefits	48	58	1,018	1,623
Actuarial losses	(2,480)	1,016	(55,927)	30,885
Benefits paid	313	-	26,913	6,559
Fair value of plan assets funded at 30 June	(11,811)	(8,171)	(407,980)	(321,394)
Deficit (amount recoverable from related parties)	6,798	11,324	231,583	437,712

The Group has established agreements with the subsidiaries for the recharge of the liability.

The Company has assessed for expected credit losses (ECL) on the employee benefit assets and ECL are deemed to be insignificant.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables (Note (a))	3,731,464	2,144,803	534,782	481,236
Other payables (Note (b))	2,649,406	3,428,016	281,078	449,656
Amounts payable to related companies (Note (a))	81,241	37,597	116,525	432,785
COVID-19 levy payable (Note (d))	55,688	-	-	-
Accruals (Note (b))	1,542,005	1,445,411	303,428	78,184
Provision for financial guarantees (Note (c))	47,047	-	-	-
	<b>8,106,851</b>	<b>7,055,827</b>	1,235,813	1,441,861

- (a) The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.
- (b) Other payables and accruals comprise provisions for payroll related costs, amounts payable to contractors, deposits from tenants, audit and taxation fees, director fees, professional fees, project cost fees, and other accruals made in the normal course of business.
- (c) SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. A financial guarantee provision has been provided in respect of SHL for corporate guarantees given to banks and creditors. The provision for financial guarantees are with financial institutions having credit risk ratings of Baa3 as per Moody's credit ratings.
- (d) The COVID-19 levy payable relates to COVID-19 levy which is an obligatory event arising upon the making of taxable profit. The COVID-19 levy is only applicable if an entity applied for the wage assistance scheme. The COVID-19 levy payable needs to be refunded to the Mauritius Revenue Authority if the Group is profitable in the next year of assessment.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 26. TAXATION

Income tax is calculated at the rate of 15% (2020: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

- (a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	(38,632)	73,668	(4,965)	(4,694)
Acquisition of subsidiaries (Note 38(a))	5,642	-	-	-
(Under)/over provision in income tax in previous years	(1,496)	42,613	4,078	74
Provision for the year	204,945	274,345	-	-
Tax paid	(203,014)	(418,253)	(570)	(27)
Tax refunded	40,521	21,480	3,225	-
Provision for contribution CSR	30,018	39,640	511	33
CSR paid during the year	(10,222)	(25,234)	(476)	(23)
Tax deducted at source	(48,072)	(39,786)	(3,803)	(328)
Exchange difference	6,481	(2,915)	-	-
Other movements	2,386	(4,190)	-	-
<b>At 30 June</b>	<b>(11,443)</b>	<b>(38,632)</b>	<b>(2,000)</b>	<b>(4,965)</b>
Tax assets	(70,467)	(72,265)	(2,000)	(4,965)
Tax liabilities	59,024	33,633	-	-
	<b>(11,443)</b>	<b>(38,632)</b>	<b>(2,000)</b>	<b>(4,965)</b>

Tax paid on the statement of cash flows is derived by tax paid, tax refunded, CSR paid during the year and tax deducted at source.

- (b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
Provision for the year - continuing operations	202,870	274,345	-	-
Exchange difference	(5,042)	-	-	-
(Over)/under provision in income tax in previous years	(41,093)	42,613	37,947	75
Deferred tax movement (Note 7)	(74,634)	(218,184)	(6,483)	25,130
Provision for contribution CSR	30,018	39,640	511	33
Tax expense for the year	<b>112,119</b>	<b>138,414</b>	<b>31,975</b>	<b>25,238</b>
<b>Attributable to:</b>				
- Continuing operations	126,628	137,345	31,975	25,238
- Discontinued operations (Note 21)	(14,509)	1,069	-	-
	<b>112,119</b>	<b>138,414</b>	<b>31,975</b>	<b>25,238</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 26. TAXATION (CONTINUED)

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Profit/(loss) before tax from continuing operations	292,908	(1,198,747)	43,055	(84,058)
Loss before tax from discontinued operations (Note 21)	(324,439)	(88,990)	-	-
	<b>(31,531)</b>	<b>(1,287,737)</b>	<b>43,055</b>	<b>(84,058)</b>
Tax calculated at a rate of 17% (2020: 17%)	54,589	(213,616)	7,791	(14,290)
<i>Adjustments for:</i>				
Non-deductible expenses	260,393	247,791	99,429	84,327
Exempt income	(107,225)	(31,996)	(114,784)	(31,859)
Tax losses utilised	33,619	(1,289)	-	(19,151)
Tax rate differential	(55,006)	(29,236)	-	-
(Under)/over provision of deferred tax in previous years	13,846	(57,337)	33,870	3,097
Over/(under) provision in income tax in previous years	(26,584)	40,759	4,077	74
Share of results of associates and joint ventures	(125,510)	(96,652)	-	-
Depreciation of assets not qualifying for capital allowances	1,744	2,192	1,081	1,015
Deferred tax not recognised	60,818	172,777	-	-
CSR adjustment	7,938	15,617	511	33
Others	(6,503)	89,404	-	1,994
Tax expense	<b>112,119</b>	<b>138,414</b>	<b>31,975</b>	<b>25,238</b>

Others comprise of adjustments with respect to elimination of unrealised profits on property, plant and equipment and inventories, and equity accounting of investment in associates and joint ventures.

(d) Tax losses

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Loss in respect of capital allowances acquired after 30 June 2006 - to be carried forward indefinitely	675,608	43,960
Assuming no future tax loss, the losses shall be extinguished as follows:		
30 June 2022	1,695,784	-
30 June 2023	9,031	-
30 June 2024	93,940	-
30 June 2025	108,984	-
30 June 2026	80,323	232
	<b>2,663,670</b>	<b>44,192</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 27. GOVERNMENT GRANTS

THE GROUP	2021	2020
	Rs'000	Rs'000
At 1 July	46,792	50,514
Additions	-	1,697
Release against depreciation charge	(4,801)	(5,946)
Exchange differences	519	527
<b>At 30 June</b>	<b>42,510</b>	<b>46,792</b>
Non-current	29,864	33,923
Current	12,646	12,869
	<b>42,510</b>	<b>46,792</b>

*Lux Island Resorts*

The grants are in respect of Government assistance to finance construction of hotel and acquisition of plant and equipment in Reunion Island and have been accounted under the income approach. The grants are being released to profit or loss against depreciation charge over the useful life of the asset.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 28. PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>(a) Profit for the year is arrived at after charging the following main items:</b>				
<b>Continuing operations</b>				
Depreciation on property, plant and equipment (Note 4)	1,616,020	1,621,744	62,335	60,220
Depreciation on right of use assets (Note 16)	578,482	489,568	22,716	20,401
Amortisation of intangible assets (Note 6)	92,023	116,892	14,138	15,874
Cost of inventories recognised as expense	22,315,391	18,395,265	3,768,190	3,435,925
Selling and distribution expenses	261,433	-	2,225	-
Excise and specific duties	2,461,226	2,269,562	-	-
Wages and salaries (Note (i))	5,372,516	4,692,361	746,691	907,682
Termination benefits	41,675	29,038	7,717	-
Entertainment and passage benefits	21,250	68,059	2,156	14,571
Advertising and promotional expenses	147,423	98,713	2,303	26,200
Repairs and maintenance	189,062	190,704	3,169	4,921
Motor vehicle expenses	231,013	232,516	24,175	33,356
Loss on exchange	132,861	8,476	15,775	22
Assets written off (Note 4)	15,593	155,902	4,346	-
Interest expense on lease liabilities (Note 16)	355,681	323,595	4,061	3,625
<b>Discontinued operations</b>				
Depreciation on property, plant and equipment	11,482	28,212	-	-
Amortisation of intangible assets	109	-	-	-
Staff Cost	8,092	34,510	-	-
Right of use assets	1,802	-	-	-

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
<b>(i) The following pension contributions are included in staff costs:</b>				
(a) Defined contribution plans (Note 24)	188,835	276,765	23,791	24,100
(b) State pension plan (Note 24)	102,887	140,961	15,565	8,410
	291,722	417,726	39,356	32,510

**(b) Expected credit losses**

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Allowance for credit losses on trade and other receivables (Note 18)	62,013	(282,464)	(6,957)	(40,813)
Allowance for credit losses on contract assets (Note 29)	(1,502)	(2,252)	-	-
Allowance for credit losses on non-current loan receivables (Note 17)	(94,426)	-	(7,195)	(294,609)
Allowance for credit losses on financial guarantees in other payables (Notes 23 and 25)	(125,310)	-	(40,000)	-
	(159,225)	(284,716)	(54,152)	(335,422)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 29. REVENUE

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers for the transfer of goods and services in the following major product and service lines, revenue from insurance premiums, rental income and dividend income. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (See Note 39).

		THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		Rs'000	Rs'000	Rs'000	Rs'000
<b>(a) Revenue from contracts with customers</b>	<b>Timing of revenue recognition</b>				
<b>Disaggregation of revenue</b>					
Construction and repairs of ships	Over time	973,594	814,178	-	-
Construction and sale of properties	Over time	156,666	660,452	-	-
Construction contracts - construction, engineering and interior design	Over time	2,043,367	1,543,476	-	-
Customer loyalty programmes	Over time	-	-	3,610	17,631
Freight forwarding and custom clearing services	At a point in time	419,225	306,541	-	-
Hotel operations, management and leisure	Over time	1,972,367	4,812,889	-	-
Maintenance, repairs and after sale services	Over time	175,584	123,236	-	-
Management services - local and global businesses	Over time	644,351	568,201	96,371	114,379
Manufacturing, storage and sale of seafood and associated products	At a point in time	1,292,984	1,175,216	-	-
Medical research	Over time	277,525	192,794	-	-
Processing and sale of beverages	At a point in time	7,481,394	7,141,857	-	-
Sale of equipment - heavy machineries, generators and irrigation	At a point in time	649,795	627,033	-	-
Sale of goods - tools, spare parts and electrical goods	At a point in time	639,261	515,788	-	-
Sales of goods - consumer, retail, wholesale and other products	At a point in time	17,234,471	16,511,151	4,656,700	4,276,550
Shipping and aviation services	Over time	187,191	243,284	9,218	3,849
Transport services - Cargo and passengers	At a point in time	228,046	368,390	-	-
Travel-related services - corporate and leisure	At a point in time	1,047	6,561	-	-
Others	At a point in time	5,912	16,411	-	-
		34,382,780	35,627,458	4,765,899	4,412,409
<b>Attributable to:</b>					
- Continuing operations		34,248,243	35,012,522	4,765,899	4,412,409
- Discontinued operations (Note 21)		134,537	614,936	-	-
		34,382,780	35,627,458	4,765,899	4,412,409



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 29. REVENUE (CONTINUED)

	Timing of revenue recognition	THE GROUP		THE COMPANY	
		2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(b) <b>Gross insurance premiums</b>	Over time	1,487,302	1,410,717	-	-
<b>Attributable to:</b>					
- Continuing operations		1,487,302	1,410,717	-	-
		1,487,302	1,410,717	-	-
(c) <b>Rental income</b>	Over time	120,377	96,214	2,059	-
<b>Attributable to:</b>					
- Continuing operations		120,377	96,214	2,059	-
		120,377	96,214	2,059	-
(d) <b>Dividend income</b>	At a point in time	6,020	22,417	725,400	601,904
<b>Attributable to:</b>					
- Continuing operations		6,020	22,417	725,400	601,904
		6,020	22,417	725,400	601,904
<b>Total Revenue</b>					
Revenue from contracts with customers (Note 29(a))		34,382,780	35,627,458	4,765,899	4,412,409
Gross insurance premiums (Note 29(b))		1,487,302	1,410,717	-	-
Rental income (Note 29(c))		120,377	96,214	2,059	-
Dividend income (Note 29(d))		6,020	22,417	725,400	601,904
		35,996,479	37,156,806	5,493,358	5,014,313
<b>Attributable to:</b>					
- Continuing operations		35,861,942	36,541,870	5,493,358	5,014,313
- Discontinued operations (Note 21)		134,537	614,936	-	-
		35,996,479	37,156,806	5,493,358	5,014,313

(e) **Contract balances**

Set out below is the information about contract assets and contract liabilities from contracts with customers.

	THE GROUP	
	2021 Rs'000	2020 Rs'000
Contract assets (Note (f))	793,804	591,560
Contract liabilities (Note (g))	597,731	494,824
	1,391,535	1,086,384

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 29. REVENUE (CONTINUED)

(f) **Contract assets**

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. The Group also receives advances on hotel operations and medical researches.

	THE GROUP	
	2021 Rs'000	2020 Rs'000
At 1 July	591,560	703,743
Addition during the year	290,331	13,695
Allowance for expected credit losses	(1,502)	(2,252)
Write offs during the year	(6,703)	-
Acquisition of subsidiaries (Note 38)	2,632	-
Progress billings	(83,276)	(122,179)
Exchange differences	762	(1,447)
<b>At 30 June</b>	<b>793,804</b>	<b>591,560</b>
Non-current	77,600	84,304
Current	716,204	507,256
	793,804	591,560

Management has assessed its lifetime ECL on contract assets on the same basis as its trade receivables. An ECL of Rs 1.5 million has been provided for the year ended 30 June 2021 (2020: Rs 2.25 million).

**Set out below is the movement in the loss allowance:**

	2021 Rs'000	2020 Rs'000
At 1 July	(2,252)	-
Increase in loss allowance recognised in profit or loss during the year	(1,502)	(2,252)
<b>At 30 June</b>	<b>(3,754)</b>	<b>(2,252)</b>

(g) **Contract liabilities**

The contract liabilities relate to advance consideration received from customers for which revenue is recognised over time.

	THE GROUP			
	At 1 July Rs'000	Amount received during the year Rs'000	Amount recognised in revenue Rs'000	At 30 June Rs'000
<b>2021</b>				
Arising on upfront fees from management services recognised over time	72,847	68,599	(73,253)	68,193
Deposits collected on future stay from customers	1,873	223,529	(1,873)	223,529
Amounts related to construction contracts	393,175	186,219	(301,843)	277,551
Customer loyalty programme	19,117	230	(3,610)	15,737
Amounts related to research and development	7,812	4,909	-	12,721
	494,824	483,486	(380,579)	597,731
<b>2020</b>				
Arising on upfront fees from management services recognised over time	68,188	74,009	(69,350)	72,847
Deposits collected on future stay from customers	-	1,873	-	1,873
Amounts related to construction contracts	231,216	316,665	(154,706)	393,175
Customer loyalty programme	19,186	17,562	(17,631)	19,117
Amounts related to research and development	13,755	7,044	(12,987)	7,812
	332,345	417,153	(254,674)	494,824

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Sundry income (Note (i))	406,096	298,323	104,853	144,613
Transport income	31,207	9,843	-	-
Profit on disposal of property, plant and equipment	11,346	5,002	614	90
Profit on disposal of investment property	1,644	-	-	-
Gain on exchange	336,826	284,779	78,119	102,680
Directors fees	3,653	12,890	11,183	7,314
Secretarial fees	2,744	2,936	9,932	10,372
Wage assistance scheme	478,646	166,612	-	-
Bad debts recovered	1,539	7,606	10	-
	<b>1,273,701</b>	<b>787,991</b>	<b>204,711</b>	<b>265,069</b>
<b>Attributable to:</b>				
- Continued operations	1,222,972	748,314	204,711	265,069
- Discontinued operations (Note 21)	50,729	39,677	-	-
	<b>1,273,701</b>	<b>787,991</b>	<b>204,711</b>	<b>265,069</b>

(i) Sundry income includes marketing incentives received from suppliers and staff secondment among others.

## 31. INTEREST INCOME USING THE EFFECTIVE INTEREST RATE METHOD

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Interest income	84,831	48,644	13,839	17,827
Interest income from related parties	-	-	-	39,124
	<b>84,831</b>	<b>48,644</b>	<b>13,839</b>	<b>56,951</b>
<b>Attributable to:</b>				
- Continuing operations	84,831	48,644	13,839	56,951
	<b>84,831</b>	<b>48,644</b>	<b>13,839</b>	<b>56,951</b>

## 32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<u>Interest expense on:</u>				
- Bank loans	422,081	494,169	46,634	51,151
- Bank overdrafts	123,053	116,778	67,406	65,732
- Other loans	326,814	340,919	242,896	241,474
- Leases (Notes (i) and 16)	355,681	323,595	4,061	3,625
	<b>1,227,629</b>	<b>1,275,461</b>	<b>360,997</b>	<b>361,982</b>
<b>Attributable to:</b>				
- Continuing operations	1,193,283	1,205,216	360,997	361,982
- Discontinued operations (Note 21)	34,346	70,245	-	-
	<b>1,227,629</b>	<b>1,275,461</b>	<b>360,997</b>	<b>361,982</b>

(i) The finance costs on leases have been disclosed in Note 16 as from year ended 30 June 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cost of issue of bonds and other costs	(14,901)	(16,000)	(14,902)	(16,000)
Fair value adjustment on investment properties (Note 5)	120,470	20,502	-	-
Fair value adjustment on investment properties held for sale (Note 21)	-	2,588	-	-
Gain on disposal of associates (Note 12)	980	-	-	-
Reversal of provisions	-	92,536	22,886	8,761
Assets written off	-	(104,040)	-	-
Termination of lease released to profit or loss	17,776	-	7,717	-
Gain on deemed disposal of associate	59,724	-	-	-
Recharge of employee benefit liability	-	6,427	-	248,251
Loss on disposal of held for sale assets	(60,888)	6,517	-	-
Impairment of held for sale assets	(86,452)	-	-	-
Impairment of property, plant and equipment (Note 4)	(13,249)	-	-	-
COVID-19 rent concession (Note 16)	18,476	-	-	-
Impairment of right of use assets (Note 16)	(70,111)	-	(7,490)	-
Gain/(loss) on debt instruments at fair value through profit and loss (Note 14)	85,667	(32,691)	3,500	-
	<b>57,492</b>	<b>(24,161)</b>	<b>11,711</b>	<b>241,012</b>
<b>Attributable to:</b>				
- Continuing operations	204,832	(26,749)	11,711	241,012
- Discontinued operations (Note 21)	(147,340)	2,588	-	-
	<b>57,492</b>	<b>(24,161)</b>	<b>11,711</b>	<b>241,012</b>

## 34. COMMITMENTS

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(a) Capital commitments				
Authorised by the Board of Directors and:				
(i) Contracted for	510,046	1,745,186	-	636
(ii) Not contracted for	865,864	2,218,700	43,209	29,118
	<b>1,375,910</b>	<b>3,963,886</b>	<b>43,209</b>	<b>29,754</b>

The associates and joint ventures of the Group had contracted and non-contracted capital commitments amounting to Nil (2020: Rs 160,273,000) and Rs 281,682,000 (2020: Rs 741,897,000) respectively for the year ended 30 June 2021.

One of the associates had undrawn commitments for loans and receivables amounting to Rs 982 million at 30 June 2021 (2020: Rs 915 million).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 35. CONTINGENT LIABILITIES

## (a) Legal claim contingency

**Lux Island Resorts (LIR)**

LIR is being sued for breach of termination of employment contract by a number of former employees and the amount claimed is Rs 60.1 million (2020: Rs 54.1 million). The Directors have been advised that some claims appear unfounded and that the necessary severance allowance/damages claim in others appear grossly exaggerated. The Company has also entered into counter proceedings for an amount of Rs 75 million against one of the plaintiffs.

**United Basalt Products Ltd**

Legal action has been initiated by former employees against the Group in respect of unpaid severance allowances. The estimated payout is Rs 26.2m (2020: Rs 25.5m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

**Eagle Insurance Limited**

Following the investigation by the Competition Commission of Mauritius ("CCM") into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") relative to the alleged collusive behaviour, they have now submitted their findings in a preliminary report dated 15 May 2020.

They have based their findings on two grounds namely:

- 1) Agreements between members of the APHPA on a common scale of cost in so far as it concerns gynecological procedures and,
- 2) Agreement between certain members of APHPA on referrals of cases for overseas treatment. EIL's objections to these points had been submitted to APHPA counsel. Unfortunately, despite the arguments put forward, the CCM has not budged from its preliminary report's findings and EIL's share of the fine which amounts to Rs 803,404.

A meeting with all parties was scheduled by the CCM on the 7 April 2021 to go through their report before going public, but has been delayed due to the confinement. Another meeting with CCM will be rescheduled.

## (b) Bank guarantees

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Bank guarantees	460,483	202,626	52,983	68,826
Guarantee and letter of credit	1,741,003	1,373,721	590,155	69,255
	<b>2,201,486</b>	1,576,347	<b>643,138</b>	138,081

The Group and the Company have provided for Rs 125.31 million and Rs 40 million respectively for financial guarantees given to banks and creditors in respect of SALT Hospitality Ltd which entered into voluntary administration in February 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 36. RELATED PARTY TRANSACTIONS

**THE GROUP****Balances**

	Associates and Joint Ventures	
	2021 Rs'000	2020 Rs'000
Cash and cash equivalents	55,734	35,634
Trade and other receivables	233,590	260,521
Trade and other payables	81,241	32,958
Amount recoverable from related parties on employee benefit liabilities	6,798	11,324
Bank overdrafts and borrowings	448,178	946,414

**Transactions**

	Associates and Joint Ventures	
	2021 Rs'000	2020 Rs'000
Sale of goods and services	1,314,358	1,135,607
Purchase of goods and services	650,053	690,392
Interest expense	25,213	26,634

For the year ended 30 June 2021, the Group recognised provision for expected credit losses relating to amounts owed by related parties (Note 18).

**THE COMPANY****Balances**

	Subsidiaries		Associates and Joint Ventures	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cash and cash equivalents	-	-	25,279	7,585
Trade and other receivables	384,362	433,709	13,528	58,720
Trade and other payables	95,566	77,641	20,959	4,990
Borrowings	-	-	89,097	401,659

**Transactions**

	Subsidiaries		Associates and Joint Ventures	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Sale of goods and services	1,037,510	1,014,937	13,101	18,677
Purchase of goods and services	94,379	90,477	191,421	185,978
Dividend income	466,659	366,762	254,787	225,492
Interest income	-	61,275	-	-
Interest expense	14,623	22,149	11,736	13,448
Administrative expenses	288,672	279,024	2,185	2,701
Management fees	57,002	55,730	6,100	6,672

The terms and conditions of transactions with related parties are presented in their respective notes.

The Company has provided a letter of financial support to the following subsidiaries: DieselActiv Co Ltd, Medical Trading International Ltd, IBL Financial Services Holdings Ltd, IBL Life Ltd, IBL Gabon Investments Ltd, IBL India Investments Ltd, Marine Biotechnology International Ltd, IBL Biotechnology Investment Holdings Ltd and IBL Biotechnology International Ltd.

**Compensation paid to key management personnel**

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
Short term benefits	722,318	977,929	156,944	257,257
Post employment benefits	65,899	55,653	22,583	14,834
	<b>788,216</b>	1,033,582	<b>179,527</b>	272,091

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

**Capital risk management**

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

**Gearing ratio**

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over net debt plus total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Total debt (Note (i))	28,704,529	26,330,887	11,560,618	9,987,583
Less: Cash and cash equivalents	(4,622,354)	(3,246,736)	(485,399)	(640,033)
Net debt	24,082,175	23,084,151	11,075,219	9,347,550
Total equity	27,471,642	25,160,715	18,159,457	15,274,567
Gearing (net debt/(net debt + total equity))	47%	48%	38%	38%

(i) Total debt includes borrowings (Note 22) and lease liability (Note 16)

**Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 2(B) to the financial statements.

**Categories of financial instruments**

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Financial assets at fair value through other comprehensive income	10,664,823	10,498,408	27,856,660	24,192,025
Financial assets at fair value through profit or loss	429,354	330,944	-	-
Financial assets at amortised cost	16,464,343	9,914,769	2,069,574	1,758,874
	27,558,520	20,744,121	29,926,234	25,950,899
<b>Financial liabilities</b>				
Amortised cost	36,791,921	34,852,008	12,874,815	11,713,343

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

**Fair value**

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	THE GROUP			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<b>2021</b>				
Other financial assets (Note 14)	243,318	339,925	237,660	820,903
<b>2020</b>				
Other financial assets (Note 14)	255,151	120,024	321,137	696,312

	THE COMPANY			
	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
<b>2021</b>				
Investment in subsidiaries (Note 11)	5,256,218	424,634	15,633,965	21,314,818
Investment in associates (Note 12)	2,271,259	2,798,465	989,143	6,058,867
Investment in joint ventures (Note 13)	-	-	382,625	382,625
Other financial assets (Note 14)	32,805	-	69,495	102,300
	7,560,282	3,223,099	17,075,228	27,858,610
<b>2020</b>				
Investment in subsidiaries (Note 11)	5,313,200	-	13,128,350	18,441,550
Investment in associates (Note 12)	1,338,106	2,918,943	1,068,477	5,325,526
Investment in joint ventures (Note 13)	-	-	302,580	302,580
Other financial assets (Note 14)	28,499	-	93,870	122,369
	6,679,804	2,918,943	14,593,277	24,192,025

There has been no transfer between Level 1 and Level 3 as at 30 June 2021 and 30 June 2020.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in Notes 11, 12, 13 and 14.

**Reconciliation of Level 3 for the Group**

	2021 Rs'000	2020 Rs'000
At 1 July	321,137	215,052
Additions	4,108	21,591
Acquisition of subsidiaries (Note 38)	59	-
Disposals	(107,904)	(90,801)
Impairment loss	(7)	-
Fair value adjustment	17,001	-
Exchange difference	204	158
Accrued interest	3,062	74,700
Reclassification from level 1 to level 3	-	100,437
At 30 June	237,660	321,137

The impairment loss and fair value adjustment are unrealised. Since investment in associates and joint ventures are equity accounted, the fair value adjustment only relates to other financial assets. Refer to Note 14.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3

## THE GROUP

Unquoted equity investment			
Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
<b>2021</b>			
PE Multiple	Multiple	11.35x-18.8x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 5,480,000
PE Multiple	Discount for lack of marketability	15%-55%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 5,662,000
<b>Foreign equity-Bank</b>			
Price to book value	Discount due to lack of marketability	0%-40%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 15.85m (2020: Rs 7m) in fair value.
<b>Commerce and others</b>			
Dividend yield	Discount due to lack of marketability	10%-20%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 0.016m (2020: Rs 0.07m) in fair value.
<b>2020</b>			
Unquoted equity investment			
PE Multiple	Multiple	6.3x-14.98x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 7,883,000
PE Multiple	Discount for lack of marketability	15%-25%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 6,714,000
<b>Foreign equity-Bank</b>			
Price to book value	Discount due to lack of marketability	0%-40%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs15.85m (2020: Rs 7m) in fair value.
<b>Commerce and others</b>			
Dividend yield	Discount due to lack of marketability	10%-20%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 0.016m (2020: Rs 0.07m) in fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3 (continued)

## THE COMPANY

Unquoted equity investment			
Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
<b>2021</b>			
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 951,844,000
DCF method	WACC	10.39%-24.09% (14.21%)	1% increase/(decrease) would result in a (decrease)/increase in fair value by Rs 1,202,480,000
PE Multiple	Multiple	10.0x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 157,057,663
PE Multiple	Discount for lack of marketability	0%-20%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 100,148,571
PB Multiple	Multiple	1.0x-1.08x	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 169,705,909
EV/EBITDA Multiple	Multiple	3.81x-24.75x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 103,014,713
<b>2020</b>			
Unquoted equity investment			
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 614,850,000
DCF method	WACC	11.87%-18.83% (14.55%)	1% increase/(decrease) would result in a (decrease)/increase in fair value by Rs 788,635,000
PE Multiple	Multiple	10.0x-12.09x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 205,907,300
PE Multiple	Discount for lack of marketability	0%-21%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 99,979,050
EV/EBITDA Multiple	Multiple	2.25x-10.11x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 89,612,842

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

## Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pounds (GBP).

## Currency profile

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Financial assets</b>				
Mauritian Rupee	24,221,231	17,918,902	29,728,513	25,274,706
US Dollars	1,289,877	1,144,110	118,665	595,015
Euro	763,386	326,995	77,173	79,979
Great Britain Pounds	204,483	50,452	650	1,199
Others	1,079,543	1,303,662	1,233	-
	<b>27,558,520</b>	<b>20,744,121</b>	<b>29,926,234</b>	<b>25,950,899</b>
<b>Financial liabilities</b>				
Mauritian Rupee	25,151,943	28,628,159	12,874,815	11,649,631
US Dollars	4,566,808	121,010	-	14,553
Euro	4,023,542	623,853	-	47,455
Great Britain Pounds	691,162	106,947	-	1,704
Others	2,358,466	5,372,039	-	-
	<b>36,791,921</b>	<b>34,852,008</b>	<b>12,874,815</b>	<b>11,713,343</b>

## Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
<b>Impact - US Dollars</b>				
Profit or loss	(327,693)	102,310	11,867	58,046
Equity	45,552	45,552	-	-
<b>Impact - Euro</b>				
Profit or loss	(326,016)	(29,686)	7,717	3,252
Equity	(64,591)	(64,591)	-	-
<b>Impact - Great Britain Pounds</b>				
Profit or loss	(48,668)	(5,650)	65	(50)
Equity	(27,872)	(27,872)	-	-

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end in the Group and the Company. The equity impact of a change in rate of Euro vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on the hedge accounting on Euro loans. The equity impact of a change in rate of USD vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary Lux Island Resorts Maldives Ltd, and also to the hedge reserve arising on USD loans.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

## Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

## Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets are either interest free or bear a fixed rate of interest; therefore, they are not exposed to interest rate risk. For instance, the financial assets as shown in the categories of financial instruments, with the exception of loans and advances, are interest free. Financial assets encompassing loans and advances have a fixed rate of interest. A 100 basis points increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2021 would (decrease)/increase by Rs 136,274,987 (2020: Rs 113,049,363) and the Company's profit for the year ended 30 June 2021 would (decrease)/increase by Rs 43,246,566 (2020: Rs 39,909,603). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

## Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis. Refer to Note 2A(b) for the credit risk attributes in relation to trade and other receivables, cash and bank balances and corporate bonds and deposits.

The Group's and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk. Refer to Note 18 for the credit risk exposure of trade receivables based on the Group's and the Company's provision matrix in accordance with IFRS 9.

As explained in Note 18, in the previous financial year, receivable balance falling under the industry of agriculture, financial services, traders, foreign governmental bodies amongst others were classified as low risk entities and had not overlay applied to the provision matrix. On the other hand, receivable balance falling in the manufacturing and logistics (including the aviation sector) are classified as medium risk and had an overlay of 2% applied to the provision matrix. Receivable balance falling in the hospitality and the building and engineering were classified as high risk and had an overlay of 10% applied to the provision matrix.

## Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the equity price had increased or decreased by 10%:

- there would be no impact on the net profit at 30 June 2020 and 2021 as equity investments are classified as Financial assets at fair value through other comprehensive income (OCI).
- The other comprehensive income and fair value reserves included in equity would increase/(decrease) by Rs 28,071,200 (2020: Rs 25,515,128) for the Group and Rs 4,033,283,400 (2020: Rs 667,980,434) for the Company, as a result of the changes in fair value of Financial assets at fair value through other comprehensive income (OCI).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

## Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on undiscounted contracted payments:

	THE GROUP				
	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>2021</b>					
Lease liabilities	-	551,783	2,014,225	2,301,504	4,867,511
Non-interest bearing instruments**	-	8,345,985	243,208	-	8,589,193
Variable interest rate instruments	2,679,359	1,329,476	6,728,313	6,242,643	16,979,791
Fixed interest rate instruments	95,977	934,615	5,333,599	14,044,556	20,408,747
Financial guarantee contracts*	1,741,003	-	-	-	1,741,003
	<b>4,516,339</b>	<b>11,161,859</b>	<b>14,319,345</b>	<b>22,588,703</b>	<b>52,586,245</b>
<b>2020</b>					
Lease liabilities	-	421,113	1,658,613	2,572,324	4,652,050
Non-interest bearing instruments**	-	474,087	1,798,508	2,379,456	4,652,051
Variable interest rate instruments	-	7,825,685	126,633	-	7,952,318
Fixed interest rate instruments	2,921,913	2,123,278	5,293,336	3,679,317	14,017,844
Financial guarantee contracts*	1,175,035	-	-	-	1,175,035
	<b>4,096,948</b>	<b>10,844,163</b>	<b>8,877,090</b>	<b>8,631,097</b>	<b>32,449,298</b>

\*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

\*\*Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

	THE COMPANY				
	At call	Less than one year	1 to 5 years	> 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>2021</b>					
Lease liabilities	-	20,100	60,625	-	80,725
Non-interest bearing instruments	-	1,460,107	142,275	-	1,602,382
Variable interest rate instruments	1,366,296	26,830	2,050,000	2,530,000	5,973,126
Fixed interest rate instruments	-	6,015	2,950,000	2,470,000	5,426,015
Financial guarantee contracts*	590,155	-	-	-	590,155
	<b>1,956,451</b>	<b>1,513,052</b>	<b>5,202,900</b>	<b>5,000,000</b>	<b>13,672,403</b>
<b>2020</b>					
Lease liabilities	-	20,950	11,290	34,044	66,284
Non-interest bearing instruments	-	1,114,830	78,562	-	1,193,392
Variable interest rate instruments	713,259	307,788	2,373,450	1,048,750	4,443,247
Fixed interest rate instruments	68,826	344,433	3,460,388	1,071,250	4,944,897
Financial guarantee contracts*	69,255	-	-	-	69,255
	<b>851,340</b>	<b>1,788,001</b>	<b>5,923,690</b>	<b>2,154,044</b>	<b>10,717,075</b>

\*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

\*\*Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(a). FINANCIAL INSTRUMENTS (CONTINUED)

## Liquidity risk management (continued)

## Cash flow hedge

This reserve is in respect of cash flow hedge reserve as well as foreign translation currency reserve. The hedge reserve is used to record the exchange differences arising on the EUR, GBP and USD loans taken by the Group and which have been designated as hedging instruments against future revenues of the Group in the respective currencies. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loan agreements (the "hedging instruments"), in EUR, GBP and USD with future principal payments that will be matched by the future remittances from customers in these currencies. The movement for the year is in respect of exchange differences on conversion of loan in USD, GBP and EUR at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss. The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

The effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves recognised in the cash flow hedge as at 30 June 2020 is a negative reserve of Rs 310,743,000 (2020: Rs 28,640,000). The amount included in "other reserves" is negative Rs 199,553,000 (2020: Rs 7,914,000) while amount attributable to non-controlling interests is Rs 111,189,000 (2020: Rs 36,554,000).

The movement for the year amounting to negative Rs 339,383,000 in 2021 (2020: Rs negative 169,380,000) relates to exchange differences on translation of US Dollar and Euro at year end rate in addition to the portion of exchange difference reserve realised on repayment of borrowings. An amount of negative Rs 191,639,000 (2020: negative Rs 95,644,000) is attributable to the Company while an amount of negative Rs 147,743,000 (2020: negative Rs 73,736,000) is attributable to non-controlling interests.

## Cash flow hedge reserves

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
<b>At 1 July</b>		
Cash flow hedge on loan in foreign currency	(135,737)	70,728
Cash flow hedge reserve released on repayment of loan	(360,823)	(243,933)
Tax on other comprehensive income	21,440	75,851
	<b>46,979</b>	<b>32,345</b>
<b>At 30 June</b>	<b>(292,404)</b>	<b>(135,737)</b>

## 37(b). MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the Board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

## Casualty Insurance

## Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

## Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the Company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

**Concentration of insurance risk (Short-term insurance)**

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

Class of business	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accident	96,243	(34,291)	61,952	128,829	(73,237)	55,592
Engineering	108,445	(94,102)	14,343	82,091	(69,801)	12,290
Fire	418,113	(372,885)	45,228	453,391	(406,048)	47,343
Liability	233,980	(149,985)	83,995	187,473	(112,230)	75,243
Motor	310,769	(25,942)	284,827	320,748	(25,829)	294,919
Health	31,376	(23,714)	7,662	36,070	(28,295)	7,775
Marine	116,502	(74,025)	42,477	118,828	(66,009)	52,819
IBNR	141,408	(63,190)	78,218	231,409	(135,033)	96,376
	<b>1,456,836</b>	<b>(838,134)</b>	<b>618,702</b>	1,558,839	(916,482)	642,357

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

## Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred But Not Reported) IBNR is held at year-end.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

## Claims development table

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

## 2021

	2016	2017	2018	2019	2020	2021	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At end of</b>							
Accident year	608,754	428,699	841,151	840,449	825,515	742,886	4,287,454
1 year later	89,706	163,750	59,271	51,996	47,362	-	412,085
2 years later	25,761	(32,106)	24,714	(71)	-	-	18,298
3 years later	(31,859)	(17,328)	(11,478)	-	-	-	(60,665)
4 years later	(6,673)	2,144	-	-	-	-	(4,529)
5 years later	34,354	-	-	-	-	-	34,354
<b>Current estimate of cumulative claims</b>	<b>720,043</b>	<b>545,159</b>	<b>913,658</b>	<b>892,374</b>	<b>872,877</b>	<b>742,886</b>	<b>4,686,997</b>
Accident year	349,390	317,902	308,880	308,367	508,812	472,863	2,266,214
1 year later	206,400	128,796	179,049	415,540	211,620	-	1,141,405
2 years later	20,571	16,075	51,861	29,820	-	-	118,327
3 years later	2,838	5,199	4,456	-	-	-	12,493
4 years later	1,964	3,370	-	-	-	-	5,334
5 years later	59,192	-	-	-	-	-	59,192
<b>Cumulative payment to date</b>	<b>640,355</b>	<b>471,342</b>	<b>544,246</b>	<b>753,727</b>	<b>720,432</b>	<b>472,863</b>	<b>3,602,965</b>
	79,688	73,817	369,412	138,647	152,445	270,023	1,084,032
Liabilities in respect of prior years*							231,396
IBNR							141,408
<b>Total gross liabilities</b>							<b>1,456,836</b>

\*This represents the cumulative liabilities prior to 2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

## Claims development table

## 2020

	2015	2016	2017	2018	2019	2020	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At end of</b>							
Accident year	1,301,956	608,754	428,699	841,151	840,449	825,515	4,846,524
1 year later	225,565	89,706	163,750	59,271	51,996	-	590,288
2 years later	11,543	25,761	(32,106)	24,714	-	-	29,912
3 years later	(20,553)	(31,859)	(17,328)	-	-	-	(69,740)
4 years later	(3,070)	(6,673)	-	-	-	-	(9,743)
5 years later	(3,277)	-	-	-	-	-	(3,277)
<b>Current estimate of cumulative claims</b>	<b>1,512,164</b>	<b>685,689</b>	<b>543,015</b>	<b>925,136</b>	<b>892,445</b>	<b>825,515</b>	<b>5,383,964</b>
Accident year	314,807	349,390	317,902	308,880	308,367	508,812	2,108,158
1 year later	1,109,791	206,400	128,796	179,049	415,540	-	2,039,576
2 years later	9,943	20,571	16,075	51,861	-	-	98,450
3 years later	1,862	2,838	5,199	-	-	-	9,899
4 years later	4,126	1,964	-	-	-	-	6,090
5 years later	1,825	-	-	-	-	-	1,825
<b>Cumulative payment to date</b>	<b>1,442,354</b>	<b>581,163</b>	<b>467,972</b>	<b>539,790</b>	<b>723,907</b>	<b>508,812</b>	<b>4,263,998</b>
	69,810	104,526	75,043	385,346	168,538	316,703	1,119,966
Liabilities in respect of prior years*							207,464
IBNR							231,409
<b>Total gross liabilities</b>							<b>1,558,839</b>

\*This represents the cumulative liabilities prior to 2015



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS

## (a) Acquisition of subsidiaries

## Current year reporting

In December 2020, the Group acquired a controlling stake in Confido Holdings Ltd for a total consideration of Rs 191 million hence increase its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 221.67 million. The Group is committed to sell 26%-44% of its stake in the coming three years.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
<b>Assets</b>	
Property, plant and equipment (Note 4)	3,167
Intangible assets (Note 6)	11,065
Non-current loan receivables (Note 17)	348
Right of use assets (Note 16(a))	4,211
Trade and other receivables	85,655
Deferred tax assets (Note 7)	260
Cash and cash equivalents	84,745
	<b>189,451</b>
<b>Liabilities</b>	
Trade and other payables	114,221
Employee benefit liabilities (Note 24)	1,910
Tax payable (Note 26)	5,551
Lease liabilities (Note 16(b))	4,371
	<b>126,053</b>
Fair value of net assets acquired	<b>63,398</b>
Consideration paid in cash	191,000
Fair value of previously held interests	94,075
	<b>285,075</b>
Goodwill	<b>221,677</b>

	2021 Rs'000
<b>Cash flow</b>	
Consideration paid in cash	191,000
Less: cash and cash equivalents acquired in subsidiary	(84,745)
Net cash outflow on acquisition	<b>106,255</b>

## Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 23 million and a profit before tax of Rs 9 million respectively attributable to the additional business generated by the acquired subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS (CONTINUED)

## (a) Acquisition of subsidiaries (Continued)

## Current year reporting

In January 2021, one of the associate made a dividend in specie in the form of shares of Ekada Capital Ltd. The Group subscribed for further shares and obtained a controlling interest of 51.97%. Goodwill arising on the acquisition amounts to Rs 20.29 million.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
<b>Assets</b>	
Property, plant and equipment (Note 4)	799
Intangible assets (Note 6)	217
Trade and other receivables	6,425
Contract assets (Note 29)	2,632
Other financial assets (Note 14)	59
Deferred tax assets (Note 7)	115
Cash and cash equivalents	5,302
	<b>15,549</b>
<b>Liabilities</b>	
Trade and other payables	13,964
Employee benefit liabilities (Note 24)	2,180
	<b>16,144</b>
Fair value of net assets acquired	<b>(595)</b>
Consideration paid in cash	8,327
Fair value of previously held interests	11,378
	<b>19,705</b>
Goodwill	<b>20,300</b>

	2021 Rs'000
<b>Cash flow</b>	
Consideration paid in cash	8,327
Less: cash and cash equivalents acquired in subsidiary	(5,302)
Net cash outflow on acquisition	<b>3,025</b>

## Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 11 million and a loss before tax of Rs 14 million respectively attributable to the additional business generated by the acquired subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS (CONTINUED)

## (a) Acquisition of subsidiaries (Continued)

## Current year reporting

In December 2020, one of the subsidiaries, IBL Life Ltd acquired a controlling stake in Plat Form Laser Ltée for a total consideration of Rs 1,800,000 hence increase its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 1.29 million.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
<b>Assets</b>	
Trade and other receivables	52
Cash and cash equivalents	1,648
	<b>1,700</b>
<b>Liabilities</b>	
Trade and other payables	607
Tax payable (Note 26)	91
	<b>698</b>
Fair value of net assets acquired	<b>1,002</b>
Consideration paid in cash	<b>1,800</b>
Fair value of previously held interests	<b>501</b>
	<b>2,301</b>
Goodwill	<b>1,299</b>
<b>Cash flow</b>	
	2021 Rs'000
Consideration paid in cash	1,800
Less: cash and cash equivalents acquired in subsidiary	(1,648)
Net cash outflow on acquisition	<b>152</b>

## Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 3 million and a profit before tax of Rs 0.5 million respectively attributable to the additional business generated by the acquired subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS (CONTINUED)

## (a) Acquisition of subsidiaries (Continued)

## Previous year reporting

In September 2019, one of the subsidiaries, Chantier Naval de l'Océan Indien Ltd acquired 100% stake in Mer & Design SAS for a consideration of Rs 49,562,574.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2020 Rs'000
<b>Assets</b>	
Property, plant and equipment (Note 4)	487
Intangible assets (Note 6)	-
Non-current loan receivables (Note 17)	-
Right of use assets (Note 16(a))	-
Trade and other receivables	25,608
Contract assets (Note 29)	-
Other financial assets (Note 14)	-
Deferred tax assets (Note 7)	13,417
Cash and cash equivalents	-
	<b>39,512</b>
<b>Liabilities</b>	
Trade and other payables	8,527
Employee benefit liabilities (Note 24)	-
Tax payable (Note 26)	-
Lease liabilities (Note 16(b))	-
	<b>8,527</b>
Fair value of net assets acquired	<b>30,985</b>
Consideration paid in cash	<b>49,563</b>
Non-controlling interests	-
Fair value of previously held interests	-
	<b>49,563</b>
Goodwill	<b>18,578</b>

	2020 Rs'000
<b>Cash flow</b>	
Consideration paid in cash	49,563
Less: cash and cash equivalents acquired in subsidiary	(13,417)
Net cash outflow on acquisition	<b>36,146</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS (CONTINUED)

## (b) Disposal of subsidiaries

## Current reporting year

Le Recif SAS was classified as assets held for sale as at June 2020. On 1 August 2020, the Group has finalised the sale of Hotel Le Recif, in Reunion Island, for a total proceeds of Rs 277 million.

	2021 Rs'000
Analysis of assets and liabilities over which control was lost:	
<b>Assets</b>	
Property, plant and equipment (Note 4)	336,276
Intangible assets (Note 6)	41,032
Right of use assets (Note 16(a))	-
Deferred tax assets (Note 7)	105,533
Trade and other receivables	50,645
Cash and cash equivalents	-
Inventories	2,516
	<b>536,002</b>
<b>Liabilities</b>	
Trade and other payables	147,525
Borrowings (Note 22)	119,567
Employee benefit liabilities (Note 24)	4,436
Bank overdrafts	-
Lease liabilities (Note 16(b))	-
	<b>271,528</b>
Net assets disposed	<b>264,474</b>
Share of net assets disposed	<b>264,474</b>
Profit on disposal	<b>12,510</b>
	<b>276,984</b>
<b>Consideration</b>	
Consideration received in cash	<b>276,984</b>
Consideration receivable	-
	<b>276,984</b>
<b>Net cash outflow on disposal</b>	
Consideration received in cash	<b>276,984</b>
Net cash and cash equivalents in subsidiary disposed	-
	<b>276,984</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 38. BUSINESS COMBINATIONS (CONTINUED)

## (b) Disposal of subsidiaries (Continued)

## Current reporting year

SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. Consequently, the Group lost control over the activities of SHL. The Group has accounted for the results of SHL under discontinued operations, recognised liabilities and guarantees given on behalf of SHL and have deconsolidated the statement of financial position of SHL when control was lost.

Analysis of assets and liabilities over which control was lost:

	2021 Rs'000
<b>Assets</b>	
Property, plant and equipment (Note 4)	49,193
Intangible assets (Note 6)	1,441
Right of use assets (Note 16(a))	295,460
Deferred tax assets (Note 7)	-
Trade and other receivables	32,372
Cash and cash equivalents	1,656
Inventories	4,487
	<b>384,609</b>
<b>Liabilities</b>	
Trade and other payables	197,157
Borrowings (Note 22)	75,851
Employee benefit liabilities (Note 24)	3,708
Bank overdrafts	4,721
Lease liabilities (Note 16(b))	309,236
	<b>590,673</b>
Net liabilities disposed	<b>(206,064)</b>
Share of net liabilities disposed	<b>(206,064)</b>
Profit on disposal	<b>206,064</b>
	<b>-</b>
<b>Consideration</b>	
Consideration received in cash	-
Consideration receivable	-
	<b>-</b>
<b>Net cash outflow on disposal</b>	
Consideration received in cash	-
Net cash and cash equivalents in subsidiary disposed	<b>3,066</b>
	<b>3,066</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**38. BUSINESS COMBINATIONS (CONTINUED)**(c) **Change in percentage holding in subsidiaries****Current reporting year**

On 27 April 2021, the Group acquired an additional 10% of the issued shares of UBP Coffrages Ltée for a purchase consideration of Rs 900,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 1,269,865. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	<b>2021</b>
	<b>Rs'000</b>
Cash consideration paid to non-controlling interests	900
Less: Carrying amount of non-controlling interests acquired	1,270
Adjustment recognised in retained earnings	<b>(370)</b>

On 29 June 2021, the Group acquired an additional 5% of the issued shares of Ekada Capital Management Ltd for a purchase consideration of Rs 30,041,657. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 50,000,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	<b>2021</b>
	<b>Rs'000</b>
Cash consideration paid to non-controlling interests	30,042
Less: Carrying amount of non-controlling interests acquired	50,000
Adjustment recognised in retained earnings	<b>(19,958)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**39. SEGMENTAL INFORMATION - GROUP**

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

- Agro & Energy
- Building & Engineering
- Commercial & Distribution
- Financial Services
- Hospitality & Services
- Life & Technologies
- Logistics
- Property
- Seafood
- Corporate Services

The segment information reported on next page does not include any amounts for the Group's discontinued operations. More information is given in Note 21.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

## (i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

**At 30 June 2021**

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue (Note 29)</b>	-	7,085,570	24,413,598	2,098,750	2,070,945	307,521	1,319,262	420,818	1,555,751	160,532	(3,570,805)	35,861,942
<b>Results</b>												
Segment result	(6,535)	540,866	1,184,302	145,458	(1,002,451)	(7,933)	(27,497)	7,638	305,600	(589,952)	(35,147)	514,349
Share of results of Associates & Joint Ventures	320,341	7,074	2,725	276,417	-	25,501	-	(2,358)	117,702	9,627	-	757,029
Finance costs (Note 32)												(1,193,283)
Finance income (Note 31)												84,831
Impairment of goodwill and investments												(74,850)
Other gains and losses (Note 33)												204,832
<b>Profit before taxation (continuing operations)</b>												292,908
Taxation (Note 26)												(126,628)
<b>Profit for the year</b>												166,280

**At 30 June 2020**

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue (Note 29)</b>	-	5,831,387	23,639,420	2,012,895	5,167,808	224,734	1,364,358	602,397	1,419,189	200,471	(3,920,789)	36,541,870
<b>Results</b>												
Segment result	-	(149,459)	590,529	90,776	214,761	(3,910)	(64,376)	24,797	272,116	(445,661)	(64,059)	465,514
Share of results of Associates & Joint Ventures	(28,287)	8,986	107	481,030	-	14,612	-	(1,993)	35,423	58,557	-	568,435
Finance costs (Note 32)												(1,205,216)
Finance income (Note 31)												48,644
Impairment of goodwill and investments												(1,049,375)
Other gains and losses (Note 33)												(26,749)
<b>Profit before taxation (continuing operations)</b>												(1,198,747)
Taxation (Note 26)												(137,345)
<b>Profit for the year</b>												(1,336,092)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**39. SEGMENTAL INFORMATION – GROUP (CONTINUED)****(ii) Segment assets and liabilities (Continued)**

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than taxes and investments in associates, joint ventures and other financial assets. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

**(iii) Other segment information**

Additions to non-current assets (include property, plant and equipment, investment properties, intangible assets and exclude investments, deferred tax assets and right of use assets) and depreciation and amortisation are as follows:

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 30 June 2021</b>											
Additions to non-current assets	195	704,498	504,054	286,348	1,672,653	21,841	44,640	88,051	85,422	4,697	3,412,399
Depreciation and amortisation	19	347,354	551,716	48,452	448,066	10,647	75,743	65,072	118,731	42,243	1,708,043
<b>At 30 June 2020</b>											
Additions to non-current assets	-	426,035	649,000	57,911	865,355	5,553	359,755	339,568	74,621	174,841	2,952,639
Depreciation and amortisation	-	360,215	555,671	39,682	459,970	16,180	94,765	50,819	122,174	39,160	1,738,636

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

## (iii) Other segment information (Continued)

## Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

Cluster	Activity	2021	2020
		Rs'000	Rs'000
Building & Engineering	- Contracting & equipment	7,085,570	5,831,387
Commercial & Distribution	- Consumer goods, sale of beverages & chain of supermarkets	24,413,598	23,639,420
Financial Services	- Insurance, leasing and management services	2,098,750	2,012,895
Hospitality & Services	- Hotels operation	2,070,945	5,167,808
Life & Technologies	- Medical research	307,521	224,734
Logistics	- Freight forwarding	1,319,262	1,364,358
Seafood	- Seafood sector	1,555,751	1,419,189
Others		581,350	802,868
Consolidation adjustments		(3,570,805)	(3,920,789)
		<b>35,861,942</b>	<b>36,541,870</b>

## Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

## Geographical information

The Group's operations are located in the countries as described below.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2021	2020
	Rs'000	Rs'000
Mauritius	30,956,629	31,085,636
Europe	1,061,589	698,812
USA	92,992	91,730
Madagascar, Comoros, Seychelles & Reunion	2,201,816	2,478,622
Dubai, Africa, Australia & others	1,083,035	1,029,097
Maldives	465,881	1,157,973
	<b>35,861,942</b>	<b>36,541,870</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 40. (LOSS)/EARNINGS PER SHARE

	2021	2020
	Rs	Rs
Earnings per share		
Basic and diluted:		
- From continuing and discontinued operations	0.01	(1.75)
- From continuing operations	0.25	(1.62)
- From discontinuing operations	(0.23)	(0.13)

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2021	2020
	Rs'000	Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing and discontinued operations	7,318	(1,191,133)
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing operations	317,248	(1,101,073)
Weighted average number of ordinary shares	680,224,040	680,224,040

## 41. CLIENTS' MONIES

An analysis of clients' money handled by the subsidiaries of the Group is shown below:

	2021	2020
	Rs'000	Rs'000
<b>THE GROUP</b>		
At 1 July	14,204	11,326
Opening balance of subsidiaries acquired	111,999	
Amounts received during the year from clients	144,890	3,303
Amounts disbursed during the year on behalf of clients	(134,544)	(425)
At 30 June	136,549	14,204

The funds are paid into a separate bank account kept solely for the purpose of handling clients' monies.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 42. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	2021 Rs'000	2020 Rs'000
<u>Statements of profit or loss and other comprehensive income</u>		
Revenue	35,861,942	36,541,870
Share of results of associates and joint ventures	757,029	568,435
Profit/(loss) before taxation	292,908	(1,198,747)
Income tax charge	(126,628)	(137,345)
Profit/(loss) for the year from continuing operations	166,280	(1,336,092)
Loss for the year from discontinued operations	(91,355)	(90,060)
Profit/(loss) for the year	74,925	(1,426,152)
Other comprehensive income for the year, net of tax	1,953,025	318,455
Total comprehensive income/(loss) for the year	2,027,950	(1,107,697)
Profit/(loss) attributable to:		
- Owners of the parent	7,318	(1,191,133)
- Non-controlling interests	67,607	(235,019)
	74,925	(1,426,152)
Total comprehensive income/(loss) attributable to:		
- Owners of the parent	1,291,643	(1,014,730)
- Non-controlling interests	736,307	(92,967)
	2,027,950	(1,107,697)
Dividends	299,299	414,937

	2021 Rs'000	2020 Rs'000
<u>Statements of financial position</u>		
<b>Assets</b>		
Non-current assets	52,200,891	49,537,836
Current assets	17,942,846	15,824,360
Non-current assets classified as held for sale	838,519	921,518
<b>Total assets</b>	<b>70,982,256</b>	<b>66,283,714</b>
<b>Equity and liabilities</b>		
Share capital and reserves	15,033,455	14,063,455
Non-controlling interests	12,438,187	11,097,260
<b>Total equity</b>	<b>27,471,642</b>	<b>25,160,715</b>
<b>Liabilities</b>		
Non-current liabilities	27,144,725	22,250,152
Current liabilities	15,992,690	18,430,991
Liabilities associated with assets classified as held for sale	373,199	441,856
<b>Total liabilities</b>	<b>43,510,614</b>	<b>41,122,999</b>
<b>Total equity and liabilities</b>	<b>70,982,256</b>	<b>66,283,714</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 43. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting date which require adjustments or additional disclosures in the financial statements of the Company. As for the Group, the following subsequent events were noted which did not result in any adjustments to the figures as at reporting date:

The Lux Collective

After the reporting date, the Group received a termination notice of one Hotel Management Agreement ('HMA') for a hotel in Maldives. Negotiations, on compensations payable under the HMA ended with the signing of a Deed of Termination of HMA on 30 August 2021.

The Deed of Termination of the HMA fixes the effective termination date to 29 September 2021 and provides for the following payments as full and final settlement for all obligations, claims and liabilities under the HMA:

- full settlement of any sum due on branding, management, marketing and incentive fees up to 29 September 2021;
- refund of unexpired portion of contract asset advance to the client as at termination date;
- full termination compensation fee computed in accordance with the provision of the HMA.

Lux Island Resorts Ltd

- (a) On 23 August 2021, Merville Ltd and the MIC have signed a subscription agreement for a financing of Rs 700 million to finance the redevelopment of Lux Grand Baie. The financing is in the form of 70 convertible bond of Rs 10 million each convertible into shares at the end of 9 years after disbursement date with options of early redemption by the issuer.

- (b) Sales of villas - Timing of revenues

The Group has started the construction of villas, residences and apartments with the intention of selling these to individuals and companies as part of the Investment Hotel Scheme ("IHS") scheme and these are expected to be completed by the end of November 2021. The arrangement could be considered in the scope of a sale and leaseback transaction and accounted for under IFRS 16 'Leases' or under the scope of IFRS 15 'Revenue from Contracts with Customers'. The Group therefore has a policy choice to either recognise the gain or loss on sale and leaseback arrangement at a point in time (i.e at the date of commencement of the lease) or recognise the revenue over time (based on the percentage completion of those villas, residences and apartments). The Directors have applied judgement in evaluating the options available and have opted to recognise the transaction as a sale and leaseback in line with the requirements of IFRS 16. Therefore, at the lease commencement date (which is the date the Group welcomes its first paying guests), the Group will derecognise all construction costs relating to the villas, residences and apartments incurred up to that date and recognise a right of use asset, a liability and a gain or loss on the rights transferred to the buyer. Construction costs incurred up to the lease commencement date are capitalised as 'Assets in Progress' within Property, Plant and Equipment ("PPE") in accordance with IAS 16 "Property, plant and equipment".

BlueLife Ltd

The following events occurred after the reporting date:

- (a) Following the communiqué issued on 5 July 2021, the Company successfully completed a First Tranche of Rs 300 million on a Bond Programme of Rs 500 million.
- (b) The sale of Circle Square MotorCity is still under progress. The sales of some units took place in the current financial year. The sale of a significant portion with proceeds of Rs 60 million was completed in August 2021 and the sale of the last 3 units shall be completed before December 2021.
- (c) The Company has progressed on the sale of PL Resort Ltd. Since last Annual Report, a Memorandum of Understanding (MOU) was signed in December 2020, a Bidding Offer in March 2021 and the Sales and Purchase Agreement (SPA) on 13 July 2021. The Company is awaiting for the realisation of some conditions precedent to complete the transaction.
- (d) The Company received the Letter of Intent for the Azuri Smart City dated 5 August 2021 and are working towards receiving the Smart City Certificate by the end of this year. Management and the notary will proceed with the signature of reservation agreements for some projects already launched, with deposits paid to the escrow account.

United Basalts Products Limited (UBP)

On 1 September 2021, the Board of Directors of UBP informed its shareholders and the public in general of its decision to exercise the rights of First refusal of the Company as per the Shareholders' Agreements, further to the intention of Associated International Cement Ltd ('AIC') and Cementia Holding AG ('Cementia') to dispose of the totality of their shares in Drymix Ltd (Drymix), a company engaged in the manufacture and sale of "Ready to use" dry mortar and Pre-Mixed Concrete Limited (Pre-Mixed), a company offering ready-mixed concrete solutions, as follows (the "Transactions"):

- (i) Drymix: Acquisition of 17.23% of the shareholding, such that the Company shall thereafter hold 71.83% of Drymix; and
- (ii) Pre-Mixed: Acquisition of 51% of the shareholding, such that the Company shall thereafter hold 100% of Pre-Mixed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 44. COVID-19 OUTLOOK

COVID-19 affected all the areas of the economy during financial year 2021. Mauritius imposed strict travel restrictions throughout the period under review and underwent a second lockdown in March 2021. As a consequence of the pandemic, all companies within the IBL Group have had to adapt to very challenging circumstances. Some clusters have been more heavily impacted by others. Last year, the Management of IBL Group carried out a risk assessment and identified the hospitality, property development and logistics related businesses as bearing "high COVID-19 risk". These businesses performed in line with projections and have been severely affected. They have been on a virtual standstill with negligible level of customer activity for the past 12 months due to travel restrictions, border and hotel closures. However, low and medium risk companies have pulled a very satisfactory performance, benefitting from a less strict and shorter lockdown, the implementation of tighter cost control and efficiency measures and the lower impact of one-costs/impairments.

The sectorial review below gives an insight into the performance drivers for the year under review.

#### Agro and Energy

The sugar cluster of Alteo Ltd has performed much better compared to last year across all locations (Mauritius, Kenya and Tanzania). The segment benefitted from higher sugar prices, increased volumes, lower restructuring costs and more favourable biological assets fair value movement. The energy segment performed better on a like for like basis with improved efficiencies but overall contribution to profitability dropped as one-off gain from the sale of equipment was made in Financial year 2020. The Property cluster benefitted from the sales of serviced plots at Anahita.

#### Building and Engineering

The sector was heavily impacted by the lockdown and exceptional write-offs in financial year 2020. This year, the main companies within the sector bounced back quicker from the lockdown and benefitted from projects delayed from last year. The shipyard's performance was better despite drop in revenue attributable to the pandemic. Manser Saxon group, the contracting business, achieved improved results through higher turnover and margins. United Basalt Products Ltd better performance is explained by its core business and retail segments which registered higher turnover and profitability.

#### Commercial and Distribution

This sector improvement was driven mostly by Pick and Buy Ltd (Winner's). Winner's was affected by major one-off costs incurred last year. It has also implemented successful operational efficiency measures in the current year. Profitability of HealthActiv is at par despite pressure on margins and adverse effect of the Rupee depreciation. BrandActiv and PhoenixBev are both impacted by lower sales to the HORECA (Hotels, Restaurants and Cafes) segment. However, PhoenixBev remains resilient due to export sales and enhanced performance of its Reunion operations, as well as favourable exchange rate movements.

#### Financial Services

Gains on investments helped Eagle Insurance Limited performed better this year. The Bee Equity Partners Ltd, the private equity arm of the Group, witnessed a similar pattern in its investment's portfolio. The profitability of DTOS Ltd decreased due to significant exchange gain realised last year, which did not recur.

#### Hospitality and Services

The Hospitality sector has been severely impacted by the pandemic and the quasi-closure of borders. The local hotels operated on a partial basis prior to March 2021 and have remained closed since the second lockdown was announced. Maldives showed encouraging results with occupancy rates averaging the normal levels till January 2021 while Reunion operations were affected due to travel restrictions. Advance bookings are showing a positive trend and the occupancy rates are expected to ramp up with the opening of borders and vaccinations rollouts worldwide. LUX\* Grand Baie is due to open in November 2021.

#### Life and Technologies

CIDP post excellent results for the period under review with budget being met despite the ongoing pandemic. Turnover grew significantly while margins have also improved. Profitability for the sector was negatively impacted by IBL Link Ltd which remains affected by the economic downturn. Furthermore, IBL Life Ltd incurred sunk costs due to new initiatives being undertaken.

#### Logistics

Aviation is among the highly impacted segments with activities markedly lower compared to pre-covid estimates. The freight forwarding business, Somatrans Bollere Logistics Ltd has also seen a decline in activity due to the economic slowdown and higher air/sea freight rates. Logidis transport register's reduced income from the hospitality/tourism sector. The disposal of one vessel during the period resulted in reduced activity for the shipping segment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 44. COVID-19 OUTLOOK (CONTINUED)

#### Property

Bloomage Ltd has delivered in line with expectations. The full year impact of a new commercial building as well as higher rates applied at a newly renovated property explain increase in operating profits. BlueLife Ltd was heavily impacted by border closures and turnover dropped significantly on the back of lower sales of properties. However, the real estate property developer posts an increase in profitability thanks to cost control measures and smaller exceptional impairments.

#### Seafood

The Seafood sector registered a full year result of Marine Biotechnology Products Cote d'Ivoire. Marine Biotechnology Products Ltd significantly improves sector due to higher margins and turnover. Froid des Mascareignes Ltée warehouse occupancy has, on average, decreased during the period under review but back to normal levels in June 2021.

#### Future Outlook

Management remains confident of a turnaround of "high COVID-19 risk" companies. Although they are not expected to reach their pre-COVID-19 performance, they should outperform their results for financial year 2021 and 2020 and ramp up capacity gradually in the years to come. The full opening of Mauritian borders in October 2021, a rather successful vaccination campaign both locally and in our main foreign markets, as well as better economic conditions should help the hospitality, property development and logistics related businesses recover to higher levels of activities. Furthermore, low and medium risk companies have already performed satisfactorily this year and should witness a modest improvement in performance owing to a better economic environment.

IBL Group's diverse portfolio of investment will continue to be its major strength and competitive advantage. IBL will continue to develop in key growth sectors with an accelerated focus on international opportunities.